G.R. S. IX-5]

Previous references.

File No. 40-18

1918.

(G7)

Serial Nos. 1-11

Later references.

G7 35-1918 : 1-4, B & Sar Dec 1920.

P 115E

Pl. see B 111-141

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 11

Part B for March 1920

SUBJECT.

Forecast for the triennium commencing with 1918-19.

W D 1250—G P B—30,000 23-1-19

17/4/20.

G. R. S. III—1] 1918. 1032 1349 1350 1434

GENERAL AND REVENUE SECRETARIAT.

(F. 7)

NOTES.

File No. 40-18

FILE HEADING.

Forecast for the triennium commencing with 1918-19

From

The Comptroller

No. 337 Dated 1. 8. 18 Received 2. 8. 18

Diary No. 311	Enclos. · Spare Copies. -	Serial No. 1

BRIEF ABSTRACT OF LETTER.

Referring to para 2 of G. O. no: H 691-50/F.7 247-16-3 & 30.7.18
States that the triennial forecasts have to be prepared in the Financial Secretariat as a forecast drawn up by his office will not serve any useful purpose.

NOTES AND ORDERS.

Financial Secretary's orders on the p. u. d. — Explain that his forecast is required to help the Financial Secretariat in preparing its forecast. Mtd J. S. C. 2/8/18.

Draft to Comptroller Mtd.

Hd. Dft. 6/8/18 Mtn

Issue today 7.8.18

NOTES—First Sheet.

WD 1232—GPB—20,000—18-11-1c

G. R. S. III-2]

General and Revenue Secretariat.

G. 7 File No. 40 of 1918-19

Serial No.	
2	To the Comptroller No: H 839 Dt 7. 8. 18 States that a forecast is required from him to help the Financial Secretariat in preparing its forecast in a Complete form and requests to prepare one for the triennium commencing with 1918-19 & Submit the Same before the end of the month. Sub'd with a draft reminder for 24/9/18 Reminder No. H 1361 Dt 4/9/1918.
3	From the Comptroller No: 1074 Dt 24/9/1918 Submits the forecast for the triennium beginning with the current year as called for. Sub'd Here 4/10/18 for orders with reference to G-6 Dt 30-7-18.

Sub

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-3-18—S.

G. R. S. III-2]

General and Revenue Secretariat.

Immediate 3

Q 7 File No. 40 of 1918.

Serial No. 6

Ups Fin

The following figures are wanted by me for preparing a note as regards the financing of the Capital programme of 1919-20. Please furnish them together with the original paper containing them & other references:

(a) Closing Cash balance on 30.6.1919 as per latest estimates of the Comptr. in India & in London.

(b) Face-value & approximate market value of securities, expected to be held in the Imperial investment account on 30.6.1919.

(c) Any other securities held with particulars

(d) Approximate amount required for the Capital programme of 1919-20.

(i) Sone scheme

(ii) Bhatkal project.

(iii) Krishnaraj Sagara

(iv) Railways, Irrigation & other usual items such as Industries &c.

(e) Amount that will be available from

(d) from the revenue budget.

(f) Difference between (d) & (e) to be raised by loan or otherwise.

M
29.10.18

P.T.O.

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-3-18—S.

G. R. S. III-2)

General and Revenue Secretariat.

Q7 File No. 40 of 1918.

	Serial No.	
		(a) As per latest estimate by Comptr. Vide Triennial forecast, the closing cash balance on 30.6.1919. will be 80 Lakhs.
H		In India. 75 Lakhs } Vide Dy Comptr's D.O.No. 30.10.18
O		In England. 5 Lakhs } (b) Securities on 30.6.1919. in the Supply Department are:-
		Face Value. 150.80 Lakhs
		Market Value. 127.34. "
H		(c) Securities in Personal & Civil and other Trust accts - on 31.10.18.
		Face Value. 82.34 Lakhs
		Market Value - 75.53 "
C		(d). (1) & (2) No definite information available as to what amount will be required in 1919.20 for the Irrn Scheme & the Bhatkal project - For the present we may assume that a sum of 25 Lakhs might be required for both. - the amount estimated by Comptr in the Triennial forecast - for Irrn Schemes alone. -
Z		(3) For Kistna Project - (4) For Railways (5) For Electrical & other Industrial works, provision might be made as in the case of 24.10.18. viz 20 Lakhs under each head.

NOTE—Contn. sheet.

G. R. S. III-2)

5

General and Revenue Secretariat. | 97 File No. 40 of 1918.

Serial No.

Pending the formation of the Industrial Development fund, the sum of 10 lakhs set apart as contribution to that fund in the said x for may for the present be left out of calculation —
So the total amount required for Capital expenditure in 1919-20 might be taken at 85 lakhs —
(2) The amount available from the Reserve fund & loan and the above Capital expenditure is 30 lakhs —
And by sale of securities in the Depreciation account — 27 lakhs.
The balance that will have to be raised by loans or otherwise will be about — 28 lakhs —.
Roughly speaking, the normal capital programme, excluding the contribution to the Industrial Development fund, for the year 1919-20 may be ~~undertaken~~ found out of the Reserve fund balance & Sale of securities in the Depreciation account, and the amount required for the Irrigation Works & Bhatkal Project will have to be provided for by loans or otherwise —
Yours

30/10/19

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat.

G. F File No. 40 of 1918.

b

Serial No.	
4.	To Mr. K. R. Srinivasiengar (Rev Commr) " K. Chandy (Excise Commr) " M. G. Rama Rao (Conservator of Frts) " H. G. Dani (Secy for Railways & Mines) " S. G. Forbes (Chief Electrical Engineer) " B. Jayaram (~~State~~ Director Geological Dept) D. O. No: H 2266-71 Dated 1.11.18 To enable the preparation of a rough forecast of the Finances of the State for the years 1919-20 and 1920-21 Enquires what figures he expects the revenue of his dept to stand during those years & States that only a rough figure is wanted assuming normal conditions & taking into account the usual progressive tendencies & the result of Special measures taken or about to be taken.
5	From Mr. M. G. Rama Rao D. O. No: 4863 D 7. 11. 18. States that his forecast for each of the years in question would come to Rs 38½ lakhs.
6	From Mr. K. Chandy No: Mis e/277-18 Is of opinion that the forecast of the Excise receipts for the two years may not be anything more than the average revenue for the past three years.

Note—Contn. sheet.

GTD A 1799—GPB—60,000—20-8-18—SL

9740-18

D 1434

9

8 TRIENNIAL FORECAST 1918-21.

I beg to submit the triennial forecast for the triennium 1918-21 and the borrowing programme for financing Public Works. It will not be possible to finance the Capital Programme for the years 1919-20 and 1920-21 without borrowing on a large scale. To avoid any chance of dislocation and break of continuity, the amount required next year should be secured this year after the cold weather tightness of the money market is over. In this view early orders are required on this note so that the necessary arrangements for borrowing may be made at once.

2. The triennial forecast submitted by the Comptroller with his letter dated the 24th September 1918 requires modification on two important points. In the first -- place, in para 1 (1) of his letter, the Comptroller says that he has not taken the disturbance in the financial - programme owing to the unfavourable seasonal prospects of the current year into consideration. As the situation now stands, some allowance has to be made on this account. I am in constant tough and correspondence with all the Heads of Departments whose budgets may be materially affected by seasonal conditions and the best estimate of disturbance in the budget that can be framed on the information now available is as shewn below:-

Suspension of Land revenue ..	10	lakhs.
Direct famine relief operations.	5	"
Operations for supplying food-grains including loss ..	5	"
T o t a l	20	lakhs.

3. Of these amounts, the first item, viz., Suspension of Land revenue, will adversely affect the budget

of

of the current year, but it is expected that the suspended amount will come back during the next two years so that the triennium as a whole will not be adversely affected. For facility of calculation I have assumed that the suspended amount will come back in 1919-20 and 1920-21 in two equal amounts of five lakhs each. The other two items aggregating five lakhs each may be legitimately met from the Famine Reserve.

4. The second point on which the Comptroller's forecast requires material revision is as regards the programme of Capital Works. For Railways and Tramways, his estimate of 20 lakhs each year may be accepted. As regards Krishnarajasagara Works, the estimate of 10 lakhs a year is inadequate. An estimate for the second stage of the Reservoir amounting to about 160 lakhs, has been prepared and the Chief Engineer informs me that a considerable amount of machinery and metallic equipment will have to be got next year. It would seem safe to estimate the requirements of these works at 30 lakhs each year for the next two years. The Comptroller's estimate under Cauvery Power Scheme amounting to 10 lakhs each year is also inadequate. I have fully discussed the ~~developemtn~~ development requirements of the Electrical Department with the Chief Electrical Engineer and the Public Works Secretary. There is a large programme of extremely useful and highly remunerative developments before the Electrical Department and it would be a pity and a suicidal financial policy to starve the Capital programme of the department. The Chief Electrical Engineer has already sent in his estimate for the Sixth Installation aggregating about 40 lakhs. There is every likelihood of his being able to utilise a grant of 25 lakhs during each of the next two years and I have accordingly taken the forecast at this figure. For

Iron

Q.7 40-18

Iron Works and Bhatkal Project, I have taken a sum of 50 lakhs equally divided between the two years. For help to other industries either through an industrial Fund or by direct Government help, I have taken 10 lakhs each year. The Comptroller has already included the requirements of the Bhadra Anicut in his forecast. According to the forecast, as I have framed, the capital requirements for each of the years 1919-20 and 1920-21 will be as shewn below:-

	1919-20.	1920-21.
Railways and Tramways ..	20 lakhs.	20 lakhs.
Krishnarajasagara Works ..	30 "	30 "
Cauvery Power Scheme ..	25 "	25 "
Iron Works ..	25 "	25 "
Other industrial works ..	10 "	10 "
T o t a l	110 lakhs.	110 lakhs.

20
25
10
2.1
10
97

5. The revised forecast prepared on the lines indicated above, is attached to this note. Flag F I consulted some of the Heads of departments about the ~~fforе~~ forecast of revenue and expenditure of their departments. Some of them anticipate small fluctuations in their budget during the next two years; but I have not attempted to correct the Comptroller's forecast according to them because the alterations are not of a sufficient magnitude to affect the general question of Ways and Means I have, however, found it necessary to increase the expenditure forecasted by the Comptroller under 'Moral and Material Development' to a considerable extent. Against the budget estimate of 63.14 for the current year, the Comptroller has taken 58.01 for 1919-20 and 60.10 for 1920-21. I do not think that such a forecast will be accurate. I have raised the Comptroller's figure for 1919-20 by 8 lakhs and his figure for 1920-21 by 9 lakhs ~~and his~~ to leave a moderate margin for expansion and development under this most important group. It will also be observed from para 1(17) of the Comptroller's letter that

For the same reason, I have not taken into account the proceeds of income-tax or any other additional taxation.

G. 740-18 10

that he has provided for an expenditure of 5 lakhs in each of the years from the accummulated balances and the greater part of this expenditure will be under 'Moral and Material Development'. So according to this forecast, the progress of Education, Agriculture, and Industries, will not be impeded for want of funds.

6. It will be seen from the forecast that to meet the capital programme in full, a sum of 77 lakhs will have to be borrowed in 1919-20 and a sum of 84 lakhs in 1920-21; the total required for the two years will be 161 lakhs. The question for consideration is how much we should borrow this year for the requirements of the next year. The amount actually required in 1919-20 as per calculation is 77 lakhs. So, we may borrow either 75 lakhs or one crore between March and June 1919. If we can get a loan at 5 per cent., I think, we may borrow full one crore. If we have to pay 5½ per cent., we may borrow only 75 lakhs. If the terms of the loan are unfavourable, we may even -- fix the amount to be borrowed this year at 50 lakhs. This will have the effect of reducing our balance on 1st July 1920 to about 80 – 27 = 53 lakhs. There is no harm in such reduction; only the borrowing for 1920-21 will have to be correspondingly raised. But for the requirements of 1920-21, we can wait and take steps in 1919-20 when rates may be more favourable.

7. The loan may be raised by the issue of promissory notes bearing interest at 5 per cent. per annum. The currency of the loan may be 25 years with option to --- Government to repay at par after 15 years. I think we should be able to raise the loan on these terms but if absolutely necessary, we may have to pay an interest of 5½ per cent.

Q.7.40-18

8. The method of raising the loan to be tried in the first instance, would be by private negotiations with influential financers in Bombay and other places. After the details are informally settled, we may enquire if the --- Government of India have any objection. If the Mysore -- Bank are in a position to render any help in the matter, we may avail ourselves of such help. The Government of India generally float their loans in August when business, being comparatively slack, money is cheap; we must raise ours so as not to clash with their operations. Our operation should be finished by the end of June 1919 and the loan may have currency from 1st July 1919.

J. Chamier

30.11.18

1st Member
Dewan

3066
4.12.18

2191
2/12/18

Council matter. 10 may be circulated in council

2/12/18

8.12.18

11 To Ch. Secy with compliments.

9.12.18

12 Circulate

Recirculated 9740-18

(For Disposal at [a] Meeting) No. C.448

11/12/1918

GENERAL AND REVENUE SECRETARIAT.

COUNCIL MATTER.

SUBJECT.

(Clause xii of the Schedule)

Financial forecast for the triennium 1918-1921 and the borrowing programme for financing Public Works.

13

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

11th December 1918.

C Balasundaram
Chief *Secretary to Government.*

Recirculated

Extraordinary Member of Council.

14

302 11-12-18 **First Member of Council.** The figures require scrutiny before they can be taken as data for borrowing. Definite figures under each head have to be obtained - further we shd beg to get samples of Government Estimates

Second Member of Council. 15 14.12.18

2294-274 - 1/2 4057-311 26.2.19

WD 2670—GPB—1,000—11-5-17

16

Temporary Member of Council.

Recirculated 9740-18

12

(For Disposal at [a] Meeting) No. C.448

11/12/1918

GENERAL AND REVENUE SECRETARIAT.

COUNCIL MATTER.

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11th December 1918.

C Balasundaram
Chief Secretary to Government.

Recirculated

Extraordinary Member of Council.

14

First Member of Council. The figures require scrutiny before they can be taken as data for borrowing. Definite arguments under each head have to be obtained - further we should try to get surplus at present revenues

302 11-12-18

Second Member of Council.

22942 1.

15

4567-311 26-2-19

26.2.19

14.12.18

WD 2670—GPB—1,000—11-5-17

16

Temporary Member of Council.

25/12

C 468 1434

WD A2069—GP13—100—1-5-18

G. R. S. III–2]

General and Revenue Secretariat.

Q.7. File No. 40 of 1918.

*7. When the Dewan or Member of Council initiating orders in a case asks a question, a reply should be obtained and submitted before the papers are passed on for further circulation. If a question is asked by another Member of Council, the same procedure should be followed provided that if the question cannot be answered within the Secretariat, the Secretary should resubmit the case to the Dewan or Member initiating as the case may be before a reference is made outside the Secretariat.

17 Forwarded with compliments to the Secretary to Government ...Financial... Department for favour of necessary action under *Rule 7 of the Subsidiary Rules of Council Business and early return to the undersigned for further circulation.

By Order,

C S Balasundaram
Chief Secretary to Government.

ups 18

Please address each head of Dept^ts concerned for more definite figures if available

19

Sd/- with draft

20 Issue

G. R. S. III-2]

General and Revenue Secretariat.

97 File No. 40 of 1918

14

Serial No.

From Mr K. Chandy (Excise Comm)
D.O. No Mis C 277-18 D 2/12/18
In Contn of his previous D.O.
States that the estimated budget
amount for 1918-19 may not
be increased to more than 60 lakhs,
for reasons given

From Mr K.R. Srinivasaraghava, Rev Comm
D.O. No 668 D 4.12.18
States that it is difficult
to give even a rough forecast
now but thinks that about
Rs 105 00,000 may be expected
to be realised during each
of the years 1918-19 to 1920-21
& that for 1919-20 it may be
a little more
Submd

x D 1434

The previous papers were submd
to the Diwan on 3/12/18

HOD
13/12/18

Mrs

Please see this in connection
with the receipts.
13/12

2 W.P.

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-3-18—S.

G. R. S. III-2]

General and Revenue Secretariat.

File No. 90 of 1918. 15

Serial No.	
	To The Agent Mysore State Ry No Fl 3150 D. 2.1.19. Requests to furnish information required in this office letter no Fl 2266-71 D. 1.11.1918.
7	No. 3157-8. D. 2nd January 1919 To The Rev: Commissioner " Excise " The Conservator of forests " Chief Electrical Engineer " Director of Mines & Geology. With reference to their several D. of even forwarding the information called for in the office letter no. Fl 2266-71. D. 1.11.18. requiring more definite figures
8	From the Rev: Commissioner to 2600 Fl Dated 3rd January 1919 States that it is not possible to give any more definite forecast than the one already furnished.
9	From the Excise Commissioner No: Mis/C. 277-18 Dated 8.1.1919 States that it is not possible to give more definite figures as the Excise receipts are not fixed but are fluctuating every year

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-3-18—S.

G. R. S. III-2j

1434 1777 1817 1861

General and Revenue Secretariat. | 47 File No. 40 of 1918.

Serial No.	
10	From the Chief Electrical Engineer No: H. 19196/9 Dated 10.1.1919 States that the increase of revenue figures given in his D.O. of 9.11.18 for 19-20 & 20-21 were based on the growth of revenue of previous years. Subd. Replies from the Conservator of Forests, the Director of Mines & the Agent, M&R are yet due. D.O. 21/1/19 24 2nd reminders. 22.1.19.
	'case before reminder also' W 22-1-19
11	From the Conservator of Forests No: 7882 D. 17.1.1919. States that as already intimated the estimated Rev: of 38½ lakhs includes 28 lacs on account of 'Sandal' & 'Minor Forest Produce', that the forecast under other heads admits of no modification and suggests that the Director of Sandal oil Factories may be consulted as regards revenue under Sandal

NOTE—Contn. sheet.

1861
1925

G. R. S. III-2]

General and Revenue Secretariat. | 97 File No. 40 of 1918.

17

Serial No.	
25	Draft reminder as put up Rlvd H.D.S 27/1/19. 28 Yp 2nd 28.1.19. To the Director Dept. of Mines & Geology " Asst. Mysore State Regn. No: H 3756-7 dt 31.1.1919 Requests that information called for in letter dated 2.1.1919 may be furnished at an early date.

NOTE—Conts. sheet.

WD A 1799—GPB—60,000—20-3-18—S.

12

Ready 27 Jan
Exhibit 4.

(Note) -

118

WAYS and MEANS for 1919-20.

---

27 I resubmit my note dated the 30th November 1918 for favour of early orders of Government The matter is an extremely urgent one as it affects the programme of capital works to be adopted for the next few years and the financial policy to be followed. Almost immediate arrangements will have to be made to secure funds if the decision of Government should be such as to require extraneous assistance.

2. As desired by Dewan Saheb in his minute of 12th December 1918 on the circulation sheet, --- another attempt was made to obtain more definite ~~departmental~~ forecasts from the heads of important departments. It will be seen from the file that before writing my note of the 30th November 1918 I consulted the heads of all the important revenue departments, Information which they have furnished has not been of much use in the discussion of this broad and general question.

3. Briefly stated the situation is this: From our revenue budget we set aside annually reserves to the extent of 38.33 lakhs as shewn below:-

1. Capitalization Fund ..	9.50	lakhs.
2. Sinking Fund	3.33	"
3. Reserve for interest on Capital expenditure .	9.00	"
4. Famine Insurance ..	5.00	"
5. Irrigation reserve ..	5.00	"
6. Special reserve for non-recurring expenditure	3.50	"
7. C.P.S. depreciation Fund	-3.50	"
Total	38.83	lakhs.

As we have kept a liquid investment in securities of 100 lakhs which is considered sufficient for all emergencies, such part of these annual allotments reserve as is not required for expenditure may be invested in productive works. There is generally some expenditure every year under the heads 3, 5, 6 and 7; we may take about 30 lakhs to be the amount which may be available next year from reserve funds for productive works. It is also estimated that a sum of about 7 lakhs may be available from investments, as on 1st July 1919 we hope to have 107 lakhs worth of securities while we need keep only 100 lakhs. With rapid increase of expenditure and the likelihood of heavy drawals from deposits of departmental balances, we cannot generally expect much help in this direction from a surplus in the revenue budget or from debt heads. We would thus have 37 lakhs for the capital programme of 1919-20 from funds at our disposal & the revenues of the year.

4. It is therefore plain that if we are going to have a very large capital programme for the next year amounting to 110 lakhs as per details in my note dated the 30th November 1918, then the programme cannot be carried out without borrowing to the extent indicated in that note. The question now is whether Government would be prepared to materially cut down the capital programme.† If the capital programme could be reduced to the verge of 40 lakhs, no borrowing would be necessary. If the situation as regards land revenue and relief operations during the current year can now be said to be much more favourable than amounts indicated in my note and the figures under these heads can be taken as affecting the position to the extent of 10 lakhs only instead of 20 lakhs, then we can manage

† The programme of 110 lakhs is 15 lakhs in excess of the normal programme laid down in the G.O. of 24.10.1918, if we consider the provision of 25 lakhs for the Sone scheme & Bhatkal project as reasonable & normal.

20

manage a capital programme of 50 lakhs in 1919-20 without borrowing. If it is the desire of Govern ment to avoid borrowing on a large scale in the pre sent state of the market, then the best course is to cut down the capital programme as far as possible. But if the capital programme for 1919-20 is considerably in excess of 50 lakhs, then ways and means arrangements will have to be settled at once, and we must have a definite idea as to where and how the money is to be obtained.+/

+ By cutting down the closing cash balance by about 10 or 20 lakhs (the balance 3.80 proposed for being reduced to 70 or 60) we may manage a capital programme of 60 to 70 lakhs in 1919-20 without extra means borrowing but that will make necessary large borrowings in the following year or a more drastic cutting down of the capital programme.

5. I would therefore suggest that the matter be considered in Council and the capital programme for the next year under the various heads be approximately laid down. If the programme thus settled be considerably in excess of 50 lakhs, then the question of borrowing may also be considered. It is true that there is generally considerable lapse of funds as regards our capital programme but, I think, ~~with the~~ when we frame a budget for ~~the~~ capital programme, we must be ready with funds to carry it out. Lapses some time ease the financial situation when they come, but they cannot be relied on for settling financial programme for the year. If we have to borrow for the capital programme of 1919-20, it is desirable to finish the operations and have the money in hand before 1st July 1919.

M
25.2.19

28
Circulate at once. Include in agenda list.. Show to Sir G. Barnes before meeting. Mark points.
25/2

a. b & c written to for notes & file noted with comfort 25/2 M 25/2

30
May be included at the next Mtg of the Council. Please Circulate agenda &
the R.t a Mtg has promised is = E
a/c 20th re Cape & Pt a Railways
Council Mtg. also Chy & S in Lee as the Legal

4

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. Fl. 2150-3—G. F. 186-15-5 dated 24th October 1918

Fixing the normal capital programme of the State for a period of five years and the method of financing Capital Works.

Sanctions proposal regarding ——.

W D A759—GPB—19-11-18—105

22

S. O. [illegible]

Fixing the normal capital programme of the State for a period of five years and the method of financing productive works.

No. Fi 2150-[illegible]G F 186-15-5, DATED 24TH OCTOBER 1918.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

GENERAL AND REVENUE DEPARTMENTS.

READ—

Government Order No. R. S. 3425-3430 Ry. F. G. 42-16-17, dated the 15th May 1917 fixing the capital programme of Railway Expenditure at about Rs. 15 to 20 lakhs annually for the triennium ending 1919-20.

Order No. Fl. 21503—G. F. 1861-5-5, dated 24th October 1918

The question of fixing the normal capital programme of the State, and the method of financing productive works has been under the consideration of Government for some time.

2. The programme of capital expenditure is at present varying from year to year depending on the urgency and usefulness of the works undertaken, the rapidity of their execution and the extent of the funds that can be made available for them on a consideration of the Ways and Means position of the State at the time of the preparation of the budget.

3. In the scheme of Financial Settlement sanctioned in Government Order No. Fl. 6779-828 dated the 13th May 1918, provision has been made by setting apart in the revenue account of each year definite sums to form the interest and sinking fund reserves with a view to undertaking a liberal and continuous programme of capital expenditure that may be required for the development of the natural resources of the State.

4. It is now necessary to determine what the normal programme of capital expenditure should be from year to year and how such expenditure should be financed.

5. On a careful review of the financial position and the demands of the several departments for funds to be spent on productive works, Government are pleased to pass the following orders:—

(i) The normal programme of capital works for the next five years may be fixed at 70 lakhs per annum as shewn below:—

Railways	..	20 lakhs.
Irrigation	..	20 lakhs.
Electrical works and ordinary industrial works	..	20 lakhs.
Contribution to a fund called the Industrial Development Fund, to be formed hereafter, in due course	..	10 lakhs.
Total	..	70 lakhs.

(ii) Other special and large industrial productive works requiring heavy outlay such as Iron Scheme and Bhatkal Project should be financed separately by loans raised for the particular purpose or otherwise.

30 Railways — 24 + 6 ½ S

20 Electrical 85.50

25 Canvas Nesa 41 00

25 Iron + Steel Rail — 25

10 Industrial Fund —

125.50

No. Fl. 2150-3—G. F. 186-15-5, dated 24th October 1918.

(iii) The normal provision of 70 lakhs required for capital expenditure will, in the first instance, be met from the reserves and credit balances under departmental heads to the extent of about 40 lakhs and the balances of about 30 lakhs should be annually borrowed by issuing debentures and pronotes, preference in the matter of subscribing to these loans being given to capitalists and people of the State.

J. S. CHAKRAVARTI,
Financial Secretary to Govt

To—The Secretary, Public Works Department.
The Secretary for Railways.
The Comptroller to Government.
The Secretary to Government, Education and Agriculture.

Exd—K.P.S.

Kindly see that below

M
21/2

Devang

May be brought to notice of Ministers meeting if not already

C. 448

31

Extract from the Proceedings of the 483th *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 27th February *19*19

1. Subject.-Clauses iii and xii of the Schedule.

The programme of Capital expenditure for 1919-1920

32. Opinion of the Council.

The programme of Capital expenditure for 1919-20 may be provisionally fixed as follows:-

Cauvery Power Works	...	10	lakhs
Krishnarajasagara	...	25	"
Railways ...	...	20	"
Iron Scheme ...	...	25	"
Other Industrial Schemes	...	10	"
T o t a l	...	90	lakhs.

A.

The Financial Secretary may be requested to submit proposals for Ways and Means on these lines.

Sd. A. R. Banerji.

Offg. Dewan of Mysore.

"EXTRACT"

C. Balasundaram 3/4

Chief Secretary to Government.

WD 1148—GPB—1,000—23-12-18

C. 448 C. F. 1861
1925

WD—A2069—GPB—500—1-5-18

G. R. S. III-2]

General and Revenue Secretariat.

File No. 40 of 1918.

* 23. As soon as circulation is complete and the opinion of the Council is recorded the file will be forwarded to the Secretary in the Department concerned for transmission if need be to the Financial Secretary under Standing Orders and for submission to the Dewan or Member in charge.

Extract from the Proceedings of the Council is put up.

Forwarded with compliments to the Secretary to Government, Financial Department, under * Rule 23 of the Subsidiary Rules of Council Business.

By Order,

S. Balasundaram
Chief Secretary to Government.
1/3/19

Vide copy p/do. w/cmpts & put up with his reply when recd.
1/3

[G. R. S. III-2]

1925

General and Revenue Secretariat

File No. 40 of 1918

Serial No.

To the Comptroller
No. No 279 G. I. G.
State that Govt have provisionally fixed the Capital expenditure for 19-22 at 90 Lakhs & Calls for a Note showing whether the programme can be carried out next year from the Cash balance & from the Revenue surpluses of the next year.

From the Comptroller
No 2524 G. I. G.
State that the programme Can be met without resorting to borrowing. and says that the position is explained in para 4 of his Note.

35 Secy 36

1) Additional Capital programme of 90 L has been allowed
2) No need for borrowing is seen.
3) Please put up a formal Govt order for approval & other ady

19/3.

K 1574/19

Letter from Govt. to Comptroller.

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat.

57 File No. 40 of 1918

Serial No.

37 Secret wire from D.S.O.

21/4

24/4

DEWAN'S OFFICE
Recd. on MAY 16 1919
Reg. No. 7229

Dewan)

NOTE—Contn. sheet.

36 *Submitted to His Highness.*

I submit herewith for His Highness' gracious perusal the file of papers relating to the Triennial Forecast for 1918-21.

Pages 1 to 11 of office note

2. In his Ways and Means notes prepared on 30th November 1918 and 25th February 1919, the Financial Secretary solicited instructions in regard to fixing up the capital programme for the next year to enable him to suggest the necessary ways and means for the ensuing year whether by outsiae borrowing or otherwise. After carefully considering the present position and the demands of the several capital works, the Council resolved that the programme of capital expenditure for 1919-20 may be provisionally fixed as follows:-

Page 21 of —do—

Cauvery Power Works....	*10 lakhs*
Krishnarajasagara.....	*25 "*
Railways.....	*20 "*
Iron Scheme.....	*25 "*
Other Industrial Works.....	*10 "*
Total.....	*90 lakhs.*

3. The Financial Secretary was also requested to submit proposals for ways and means on these lines.

4. The capital programme recommended as above was approved by His Highness.

5. From an examination of the Financial position as disclosed in the 2nd edition of the Budget, it is considered possible to provide funds for the next year's capital programme as now fixed without resorting to outside borrowing.

24

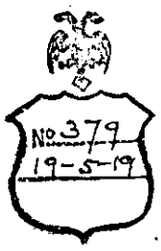
6. This is reported for His Highness' information.

19th May 1919.

19.5.19

39

Record of Cases submitted for the Order of His Highness the Maharaja.



Subject.

Provision of funds for the next year's capital programme.

1191

39 *Order.*

~~KRM~~

23/5/19

This file has to be submitted to the Hon'ble Member of Council for perusal of His Highness' Orders, after return from tour

31/5/19 191

FINANCE BRANCH
30 MAY 1919

C. 648 V

G. R. S. III–2]

General and Revenue Secretariat.

G.7 File No. 40 of 1918.

Serial No.

(*)

31. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at headquarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to the Members of Council for perusal of (*)

His Highness' orders $\frac{\text{before}}{\text{after}}$ issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure).

Chief Secretary to Govt.

27/5/19.

2798/28.5

Through the Secretary to Government,

Financial Department.

1754/28.5.19

FIRST MEMBER OF COUNCIL 28/5/19

7489-446 29.5.19

SECOND MEMBER OF COUNCIL

30.5.19

5023 4.6.19

China

~~TEMPORARY~~ MEMBER OF COUNCIL. 5/6/19

B

NOTE.—Contd. sheet

WD 1573—GPB—500—4.3.19

D 311

Gf 40-18-1 32

Please address all future communications to the Comptroller to the Govt. of H. H. the Maharaja of Mysore.
In reply to this Comm. please refer to
No. 337

Book

REVENUE & DEPT. SECRETARIAT
2 AUG 1918

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Dated, Bangalore, the 1st ~~XX~~ August 1918.

10671

FROM

M. N. KRISHNA RAO, ESQ., B.A.,
~~Offg.~~ *Comptroller to the Government of His Highness the Maharaja of Mysore.*

REVENUE & REV. SECRETARIAT
II
FINANCIAL
2 AUG 1918

To

Dewan Bahadur Rajamantrapravina
.....J.S. Chakravarti....., ESQ., M.A; F.R.A.S.,
Secretary to the Government of Mysore,
.....Financial.....*Department.*

SIR,

I have the honour to acknowledge the receipt of Government Order No.Fl. 601-80/G.F.247-16-3 dated 30th July 1918 directing this Office to prepare a forecast for the triennium commencing with 1918-19 I request reference in this connection to para 2 (2)a of Government Order No. G. 17572-8/G.M.676-17 dated 22nd June 18 according to which triennial forecasts have to be prepared in the Financial Secretariat. This office will not be in possession of full information regarding additional revenue expected and additional expenditure or outgoings on account of expansion of the various service departments, of programme of Capital Works in contemplation and of schemes of financial help in the form of loans to Industries etc under the consideration of Government. I believe it is for this reason that the triennial forecasts are required to be prepared in the Financial Secretariat. A forecast drawn up by this office will not serve any useful purpose as it cannot take into calculation all factors material for forming

forming a reliable estimate.

I have the honour to be,

Sir,

Your most obedient servant,

Comptroller.

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

Section Gr7
File No. 20-18
Serial No. 2

GENERAL AND REVENUE SECRETARIAT,
(.)
, *the* 191 .

No. 9839

Date of issue 7th Aug 18.

Signed by W Flemming

To

The Comptroller to Govt

Sir,

With reference to your letter No: 337/Book dated 1st August 1918, ~~stating~~ observing that the triennial forecasts to be ~~have to be~~ prepared in the Financial Secretariat, I am directed to State that ~~a~~ ~~your~~ a forecast is required from you to help the Financial Secretariat in preparing its

over.

in a complete form.

forecast. I am, therefore, to request you to prepare ~~a~~ the forecast for the triennium commencing with 1918-19 and ~~for~~ submit the same before the end of this month.

I have &c

N
7.8.18
For Secy.

Hire
6/8/18 mm

List of enclosure

Copied by

Examined by

WD 86—GPB—60,000—15-11-16

D 1032

No. 1014 Office of the Comptroller in Mysore,

Bangalore, 24th September 1918.

From

18 SEP 1918 16699

M. N. Krishna Rao, Esq., G7 7/40-18-3

Comptroller to the Government of Mysore,

Bangalore.

To

Rajamantrapravina
Diwan Bahadur J.S. Chakravarti Esq., M.A., F.R.A.S
Secretary to the Government of Mysore,
Financial Department.

Sir,

I have the honor to submit herewith the forecast for the triennium beginning with the current year required by your letter No.Fl.839/G.F.40-18-2 dated the 7th August 1918. The following notes are added to explain the forecast:-

1. The forecast for the current year is the Budget itself.

2. The anticipated increases or decreases of revenue compared with the Budget Estimates for the current year are shown in a separate column in addition to the forecast of revenue for 1919-20. Similarly the increases and decreases with reference to the forecast for 1919-20 have been shown separately in addition to the forecast for 1920-21.

3. The forecast of revenue expenditure during 1919-20 and 1920-21 assumes that the groups of Departments will utilise fully the initial and annual assignments allotted to them.

4. The forecast shows that there will be a growth of revenue of 3,46 thousands in 1919-20 and 3,60 thousands in 1920-21. We did not receive anything towards the Assigned

Tract

57

Tract Revenue in 1917-18. I believe that not much surplus is expected by the Civil and Military Station authorities to be left over for transfer to us. It does not therefore appear to be safe to count upon any revenue from this source. As a large part of our holding in the Surplus Investment Account has to be realised to finance the capital programmes of the two years, there will be a reduction under the head --- "Interest".

I am afraid so. MY

yes. MY

5. The growth referred to above has been distributed according to the sanctioned proportions among the groups of Departments and the expenditure figures under the revenue heads consist therefore of the --- initial and annual assignments.

6. At the close of the current year, a sum of 10.37 lakhs is expected to be left at credit of Groups of Departments. As it is the object of the Settlement to expend the allotments given to the Groups of Departments for the improvement of their administration and as the expenditure of most of the groups is expanding, I have assumed that this balance will be utilised equally in the next two years. This expenditure is shown under the Deposit head and not under Service heads.

- 320.

Minimum balances shd be gradually worked up but the course adopted by Comptr is safe. MY

7. The seasonal prospects in the current year are very far from satisfactory and it is difficult to say now whether our Budget anticipations in regard to revenues dependent on such prospects will be realised or whether additional expenditure may not become necessary for relieving distress. The forecast has not taken these factors into calculation.

The latest estimate
Suspension of L.R. — 10.00
Direct relief. — 5.00
Less on food-grain purchases — 5.00
20 lakhs.
MY

8. The end of the War is still not in sight and additional military expenditure in one form or other may have to be met. The forecast has not taken into account this factor -- also.

9. It is very probable that in the next year again another big War Loan will be raised by the Government of India and we may have to subscribe another sum of 30 lakhs. This outgoing also has not been included in the forecast.

10. The Mysore Government 4% Loan of 1906 is due for discharge in October 1921, i.e., three months after the close of the triennium for which this forecast is prepared. If it is decided to discharge the loan, the necessary funds will have to be got ready during 1920-21 itself. As, however, it seems to be under the contemplation of Government to renew if possible, the term of this loan, I have not taken this demand also as an outgoing to be provided for.

11. The demands on the Special Reserve for Non-recurring Expenditure are very great and I have accordingly assumed that the whole of the annual contribution to this Reserve will be spent.

12. As the estimate for the Bhadra Anicut has been sanctioned to be financed from the Reserve for Irrigation Capital Expenditure; I have taken the draft on this Reserve in each of the next two years roughly at 2½ lakhs.

13. Owing to increased interest charges to be adjusted from the Interest Reserve, the net contribution to the latter in the next two years will be only 260 and 150 and I have shown as surplus the difference between these amounts and the 5 lakhs which the standard under the Settlement permits as the net annual contribution to the Reserve.

37

14. I have provided for a net accretion of 5,00,000 each year under Unfunded Debt.

15. The forecast under Reserve Funds is for an addition of 30 and 29.70 lakhs in the two years made up of the following:-

	1919-20	1920-21
Interest Reserve	2.60	1.50
Mining Reserve	10.70	11.15
Sinking Fund	3.33	3.33
Irrigation Reserve	2.50	2.50
Famine ...	6.85	7.15
C.P.S. Dn etc	4.02	4.07
	30.00	29.70

16. As the District Funds and Municipalities which have surpluses are generally permitted to invest them in War Bonds and in the Mysore Bank, the group, Local and other Funds, is not expected to give us much help. I take the addition under this group at only Rs.50,000 per annum, mainly belonging to Military and Muzrai Funds.

17. The normal accretion under 'Deposits' is about a lakh. Making allowances however for an outgoing of 5 lakhs in the two years on account of the anticipated expenditure of the accumulated balances to the credit of groups of Departments, I have taken the net result of deposits as an outgoing of 4 lakhs in each of the two years.

18. Usually the net result of Advance and Loan transactions is an outgoing and it is difficult to form any accurate forecast for this group. In view, however, of the industrial advances of various kinds that are being sanctioned or are --- under the contemplation of Government, I have taken the result under this group will be roughly a net outgoing of 6 lakhs each year.

19. It is difficult to frame any accurate forecast of Capital

40

Capital Expenditure in the next two years. Actual expenditure on this account in the past has fluctuated very largely. Various capital schemes seem to be under the consideration of Government. One of the biggest of these projects, the Iron Works, has already been sanctioned but no forecast of the number of years during which the construction of this project will be in progress and of the anticipated outlay in each year is available. I have roughly assumed that the total of the programme of capital outlay in each of the next two years will be 65 lakhs as follows:-

I have discussed with Messrs Forbes & Cadambi Krishnaraj Lagara 2nd Stage & CPS. VI Installation would require recruitment of officers as steam

Railways and Tramways	...	20 lakhs	20 + 20
Krishnarajasagara Works	...	10 "	30 + 30
Cauvery Power Scheme	...	10 "	25 + 25
Iron Works ...	...	25 "	25 + 25
Total	...	65 lakhs	110 + 110

Other Capital works 20 + 10

20. The forecast assume that all balances will be equally effective, overlooking the present abnormal position in respect of the specie part of the balance and the remittance difficulties now experienced in getting our London balance here.

A safe assumption now that war is over.

2. The analysis at foot of the statement shows the deficit in each year and how far it can be met from sale of investments. It will be seen that sale of investments will only partially cover the deficit in 1919-20. About 10 lakhs in 1919-20 and 35 lakhs in 1920-21 have to be found otherwise. A statement showing the surplus investment holding at the end of each of the 3 years is appended.

The deficit shown in the forecast will be increased if any of the factors leading to reduction of revenue, increase of expenditure, expansion of capital or loan programmes or

preventing

preventing remittances of English Balances to India adversely affect the position.

I have the honor to be,

Sir,

Your most obedient servant,

Comptroller.

25/9

Hy 7-40-18-4

"Jnalaya"

No H 2266-71 Bangalore, 1st Novr. 1918.

		1918-19	1919-20	1920-21
My dear Mr.	Srinivasa Iyengar	107,43		
"	Mr. Chandy,	58,90		
"	Rama Rao	40,69	38.50	38.50
"	Dani	11,78		
"	Forbes	15,68	17.00	18.50
	Jayaram	17,50	18.72	19.46

To enable me to prepare a rough forecast of the Finances of theState for the years 1919-20 & 1920-21 would you kindly let me know at what figure you expect the Revenue of your Department to stand during those years? The budget figure for the year 1918-19 is as you are aware Rs. (vide page ....of the budget estimates) The variation expected from this with thereason thereof may bekindly stated. Of course accurate forecast at this stage is notpossible and is not wanted but only a rough figure. Assuming normal conditions and taking into account the usual progressive tendencies and the result of special measures taken or about to be taken.

Yours sincerely

Sd/- J. S. Chakravarti.

GOVERNMENT OF MYSORE

Conservator's Office,

D.O. No. 4863 Dated, Bangalore 7th November 18.

Dear Mr. Chakravarti,

I am in receipt of your D.O. letter No. Fl. 2266-71 dated the 1st instant, regarding forecast of Forest Revenue for the years 1919-20 and 1920-21. The Budget figure for the current year stands at Rs.40,69,000, including Rs. 26,52,000/- on account of Sandal Revenue and Rs. 3,75,000/- under 'Minor Forest Produce'. Estimating the Revenue under Sandal and Minor Forest Produce at 25 and 3 lakhs respectively, my forecast for each of the years in question would come to Rs. 38½ lakhs. I am not in a position to say what the sale of Sandalwood to the Factories would fetch, as the realization would depend upon their requirements. As regards the revenue from Tanning Barks, my estimate of 3 lakhs would nearly be doubled, if the Government control over the bark trade is removed, while as matters stand at present, it would not be possible to realize even the budgetted revenue

3¾ lakhs

3¾ lakhs during the current year, owing to the revision of rentals on the averages of 1913-16. All things considered, the Revenue may be estimated at 38½ lakhs.

Yours sincerely,

45

D 1350

IN REPLY REFER TO No. D.O. 308 ENCLO. 1

GOVERNMENT OF MYSORE

Electrical Department.

Telegraphic Address: "GOMED."

CODES USED
LIEBER'S
A. B. C. (5TH EDITION.)
BUSINESS TELEGRAPH CODE.

III
arrange for
Sub Committee
15/11

OFFICE OF THE CHIEF ELECTRICAL ENGINEER.

Bangalore, 9th Novr 1918
(Mysore, India.)

Dear Mr.Chakravarti,

Subd to W/S.
A Sub Committee meeting has been arranged for on the 27th inst.
This refee may kindly be disposed of in its usual course.
Hm 15/11
Put up 18/11/18
19/11
5/12/18

To your No.Fi.2266-71 dated 1st Nov. '18, I would reply that we expect our net income in 1919-20 to be in round figures Rs17,00,000/-, and in 1920-21 Rs18,50,000/-

These figures are based on the normal growth and extensions to the existing system but does not include any consumption of power which I have used as a basis for calculating the expected revenue return after the VI Installation. The estimate of the probable cost and the revenue to be expected, together with a report on the VI Installation was submitted to Govt. sometime in September and I am sending you herewith a copy of the report for your information.

This report considerably revises my previous forecast of power consumption and you will see that I have left out several of the items such as power-supply to Channapatna, pumping at Talkad &c., which, if carried through, will have to be supplied from further extensions to the Cauvery Power Scheme either at Mekdatu or Krishna-

raj

46

Sagar Reservoir. I expect, without any doubt whatever, that the power consumption as estimated in the VI Installation report will be taken up in a very short time after the completion of that installation and will provide a gross revenue of Rs 51,50,000/-.

I shall be very glad if you would call a Meeting or our Financial Committee in the near future - but not between the 17th and 22nd of this month, as I expect to be on tour those days.

Yours sincerely,

J.S.Chakravarti Esq., M.A.&c.,
Financial Secy.

SGF-ARA

Report on the 6th Installation at the Sivasamudram Generating Station.

---:(0):---

1. The ~~conversation~~ Conservation of the fuel resources of India and especially that of Mysore is the question, probably of the greatest importance before us to-day, and at the same time it can hardly be said that a thoroughly reliable power supply at reasonable rates and in sufficient quantities comes second in the list of industrial economic problems now before us.

2. There are certain industries that inherently require fuel or steam power (or heat), that is, no other form of power, at present, can meet their requirements, while at the same time there are those industries that require the simple mechanical power necessary to drive their shafting, and again there are those industries which require essentially both, that is from the power aspect, industries may, at the present day, be divided into three classes, i-e., 1st - those requiring essentially fuel or steam (its moisture and heat) and cannot, under any circumstances, make use of any other form of energy. 2nd - those requiring only that their shafting revolves continuously and at a constant speed. 3rd - those industries which require both steam (heat)and simple mechanical power.

An example of the first is a blast furnace for the reduction of ores, another is a distillery, etc., etc., while an example of the 2nd class is a machine shop, a railway locomotive, etc., etc.,

Examples of the industries of the 3rd. class are a sandalwood oil mill, a spinning and weaving mill, etc., etc

3. The progress and prosperity of this State will depend to a very great extent on its industrial position and industries of all three classes must be equally developed, and development will come only when the supply of raw materials and power in the necessary form is assured. Even the agricultural situation will not be materially improved without these things; artificial fertilizers require raw materials and power to convert them.

4. It is therefore proposed to use hydro-electric power wherever possible and to conserve to the industries of the 1st and 3rd classes all our fuel resources, rendering them as far as possible independent of coal transported long distances by railways.

5. The 1st step in this policy is to provide a reliable hydro-electric supply in sufficient quantities and at rates that will make it a determining factor in inducing outside industries to come to this State and permit the public and Government to start new industries and to extend those already in operation.

6. The advantages of hydro-electric power are very well understood by the industrial interests, and is shown by the fact, that the demand for power has until recently been in excess of the supply. To provide for the expected demand, as detailed below, the attached estimate amounting to has been prepared for a 6th installation at Sivasamudram, which will increase the ~~industrial~~ installed capacity of Sivasamudram from 22,650 H.P. to 34,000 H.P. of which 2000 H.P. will be spare.

7. One of the principal features of this proposal is the removal of the apparatus now installed in what is known as the Step-up Transformer Station at the top of the Bluff to an extension to the Generating Station building as is shown by drawing numbers 600-609. When the first installation was designed, the locality was badly infected with malarial fever and it was therefore decided that the Step-up Transformer Station should be situated at the top of the Bluff rather than at the bottom of the gorge with the Generating Station, thinking thereby to improve the health of the staff. The arrangement, however, failed to take into consideration, the fact that, by so doing, the staff would be at that time, practically doubled, half of whom would have to work in the Generating Station liable to fever infection; i-e., placing the Transformer Station at the top of the Bluff did not reduce the number of people liable to infection. In other words, the number of people, who would be engaged in the Generating Station, were the Transformer Station a part thereof was not reduced, and if there had been any serious epedimic of malaria among the Generating Station Operators, the power supply would have been just as seriously interrupted. By reason of the extra staff required to operate the Transformer Station as a separate section, the continuous operation of the plant was made dependant on the health of a greater number of operatives and therefore the schme, as a whole, was actually more liable to interruption on account of sickness than if the Transformer Station had been located down-stairs. The 16 years and more of operation has shown that the Hydraulic Operators down-stairs are not more subject to malaria than those up-stairs.

As the mosquito is more numerous and energetic up-stairs than down, there is no objection, on account of malaria, to putting the Transformer Station down-stairs. The effective preventative is to keep the mosquito out by screening the doors and windows with wire gauze.

8. The operation of the Station will be greatly simplified by reason of the fact that a general view of the Generating Station can be had at any time by the electric Operator enabling the direct exchange of instructions rather than as at present by phone. The time required to signal and exchange instructions between the stations is a prolific source of danger and interruptions to the service. To save a "shut down" action has to be taken invariably much quicker than remote signalling and telephoning permits.

9. The long low-tension busses going up the hill are a constant source of danger. No matter how well they may be constructed and protected, joints overheat, expansion joints grip and fail to work, and the continuous power loss is a real loss of revenue. With the Transformer Station, as an integral part of the Generating Station, the low-tension busses will be in duplicate, will have a minimum of length, a negligable power loss, and enclosed in well-ventilated compartments and subject to the minimum trouble. The generators will be connected to the busses with single conductor V.I.C. and compounded cables with which no trouble may be expected.

10. Hydraulic - The agreement with Madras, under the Cauvery Irrigation Scheme, provides that a minimum of 900 cusecs be passed down the river at Sivasamudram during the hot weather and as this will be the minimum discharge at any time during the year power not subject to stoppage by water shortage, to the extent of,

This arrangement of chambers and penstocks is shown by Drawing No. 51 attached.

It was contemplated to change the 11 - 1150 H.P. units to 2,000 H.P. units, but on studying the forebay, as it now exists, it was found to be impossible to get the additional power in this way, as we have only 9 chambers and penstock serving 12 turbines, including the unit of the 3rd installation. The 3 new chambers would have to be provided in the 1st installation forebay, but as the Transformer Station is within a few feet of the forebay wall, this could not be done.

This proposal provides therefore for the replacement of the 11 - 1150 H.P. units with 6 - 4000 H.P. units similar to that of the 5th installation, requiring the forebay modifications, as shown on the Drawing No.5,60 attached.

One new chamber is provided for No.1 - new 4000 H.P. unit and chambers no.10 and 11 are converted into one chamber to supply No.2 new 4,000 H.P. unit.

Each of the chambers of the 1st installation is then left free for the remaining four 4,000 H.P. units.

The turbine driven exciters will be independently supplied by No.9 chamber and penstock without any modifications outside the Generating Station. It is seen from the drawing that this will provide for a penstock arrangement horizontally straight from the forebay to the Generating Station thrust blocks and without any of the pipes crossing and will give the exciter turbines an independent penstock. The forebay between the 1st and 2nd installations will be widened to reduce the velocity of water to the penstocks taking out of the 2nd installation. The waste weir and overflow channel will

will be widened to admit of the full 1000 cusec discharge during a complete shut down.

13. Generating Station Building. - A 30 foot extension is necessary to take No.1 new 4,000 H.P. unit and will admit of its installation before shutting down any of the small units for dismantling and removal. Then Nos.10 and 11 can be shut down and re-placed with No.2 new unit. In this way an additional 2,000 H.P. net will be immediately available while any other arrangement will require that the actual capacity of 22,650 H.P. be reduced by 2,300 H.P. until the 1st new unit is in operation.

Drawing No.S-601 shows the arrangement of the 7 - 4,000 H.P. units and the 3 - 2,000 H.P. units including the re-constructed No.12 together with the two new turbine exciters and the two 250 K.W. motor driven exciters (these are now on order). This arrangement provides that thenew large penstocks enter the building though the existing openings in the walls (enlarged) and that the existing tail races be made use of, that is, the building walls will have a minimum of modifications.

The six new units will be arranged with the turbine on the river side of the Station, i.e., the same as the units of the 4th and 5th installations, affording an uninterrupted passage throughout towards the hill side of the building for handling heavy parts of machinery.

14. Transformer Station - The power is now generated at 2,200 volts and carried over one set of 3-phase buss bars, approximately 1,030 feet long and 4 sq. in. in section to the Transformer Station situated at the top of the Bluff, and there transformed ~~at the top of the Bluff, and there transformed~~ to 70,000/78,000 volts for Kolar and 35,000 volts and 32,500 volts for Bangalore and Mysore with 3 distinct transformer equipments.

The buss bars are made up of copper bars 4" x 1/4" in section, four bars in parallel spaced 1/4" apart and set on edge, all 3-phases in the same horizontal plane, the best possible arrangement for ventilation. When the full load of 21,000 H.P. is on the Station, the current flowing in the buss bars = $\frac{21,000 \times 746}{2,200 \times 1.73}$ 4,116 amperes or a current density of 4116 amp./4 sq.in. = 1,029 amp. per sq. inch when the load is at unity power factor and proportionately higher as the power factor falls off. With our usual power factor of .85, the density is 1,210 amp.

(2) When the load is 18,650 H.P. at .85 power factor, for which the 4th installation provided, the current in the busses = $\frac{18,650 \times 746}{2,200 \text{ v x } 1.73 \times .85}$ = 4,300 amp. or a current density of 4,300/4 sq.in. = 1,075 amperes per squire inch, corresponding nearly to a 35°C rise above the surrounding air, for which they were designed.

(3) With the density of 1,210 amperes corresponding to the 21,000 H.P. load, the temperature rise of the busses would be such greater than the maximum permissable temperature and it was therefore necessary to duplicate the existing busses, and an estimate was under preparation at the time the 6th installation was first considered. This estimate was held in abeyance, as it would be necessary to provide for 32,000 H.P. instead of 21,000 H.P. if the 6th installation was to be carried out.

(4) The current that would flow in the busses with 32,000 H.P. at 85% power factor = $\frac{32,000 \text{ H.P.} \times 746}{2,200 \text{ v x } 1.73 \times .85}$ = 7,376 ampere. Now, with 4" x 1/4" bars with the very best arrangement, as above described, the maximum permissable temperature rises would fix the working current density at less than 500 amps. per sq. in. With a density of 500 amps. per sq. inch, the temperature of the busses would be beyond the safety point.

Furhber more, as the busses for this large amount of power must be placed in separate compartments for protection against short circuits, the temperature rise, on account of the poor ventilation will be still greater, or conversely, the density must be still further lowered, until it is far below the economical point of operation. No busses of any considerable length should, except under emergent conditions, be operated at a density of less than 750 amperes per sq. inch of section.

(5) We will, however, for a comparison, work out the quantity of copper bars required for busses for 32,000 H.P. at 2,200 volts and 85% power factor, 1,030 feet long and working at a density of 500 amps. per sq. inch.

Current as above = 7,376 amps.

Section required for one-phase of one buss = 7,376/500 = 14.752 sq. inches or 15 bars.

4" x 1/4" = 15 sq. inches.

Then $\frac{15 \text{sq. in.} \times 12" \times 1,030}{144 \times 12}$ = 107.4 say C.ft. for one-phase of one buss.

Then, total weight for one set of three-phase busses = 3 phases x 107.4 .ft. x 558 lbs. per C. feet. = 180,000 lbs.

Add 10% for expansion joints and connections 18,000 = 198,000 lbs.

From our experiences with the present unusually long bare copper bar busses, whose inherent defects would only be more pronounced with the addition of more bars for each phase, and also for flexibility of operation, it is absolutely necessary, to have a duplicate set of buss bars from the generators to the Transformer Station at the top of the Bluff.

The extra copper required would be 2 x 198,000 396,000 lbs. minus 48,000 lbs. of existing busses 348,000 lbs. of copper.

If the present Transformer Station itself be extended to accomodate the extra transformers and switchgear to correspond with the increased capacity of the generating station, the necessary modifications to the building, could not be effected with an expenditure of less than 1 1/2 lakhs. Against the combined cost of Rs.8,70,000 for modifications to the existing transformer station and durlicate busses thereto from the generating station, would be set Rs.600,000 the cost of the new transformer station of this proposal. It will be seen, that from a financial standpoint as well as from one of pure engineering, it is necessary to build a new transformer station, alongside the generating station, for the controll and transmission of the power, as provided for in the 6th installation.

(6) As all buss insulators and supports for these extraordinarily large busses would have to be specially manufactured and the present buss duct would have to be duplicated, the cost of the duplicate busses between the Generating Station and the present Transformer Station would evidently be prohibitive. Such large busses operating at such a low uneconomical current density and at or beyond the safe temperature limits would not be according to good engineering practice, and therefore this proposal is based on moving all the switchgear, switchboards and transformers to a new building which will be an extension to the Generating Station and so arranged as to form an integral part thereof.

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Drawing Nos. 5602-3-4-5-6-7 show how it is proposed to make this extension, and how the apparatus will be arranged therein.

15 Apparatus and Arrangements.

Transformers - The transformer equipment will consist of 5 banks of 1,750 K.V.A. single-phase water-cooled transformers stepping up to 70,000/78,000 volts from the generator voltage of 2,200. Three of these banks are now in service on the Kolar supply and two new banks, exact duplicate will be purchased and connected, so that the 4th bank will operate on the Kolar-Mysore high-tension busses while the 5th bank will be connected with the high-tension windings in parallel for 35,000/39,000 volts for the Bangalore supply. There will, therefore, be only one type of transformer in service, simplify-ing operation and reducing the value of spare parts in stock.

The Mysore Transmission Line and Receiving Station will have to be re-constructed for 10,000 H.P. to provide for the expected cyanamide and Cotton Mill Schemes etc., as shown in detail later on. It is, therefore, necessary to re-construct the Mysore system for the same voltage as the Kolar system. Four banks each of 5,250 K.V.A. are therefore required to supply the power as detailedbelow for the Kolar-Mysore systems. (Note: These transformers have a continuous 25% overload rating.)

16. Switch-gear. - All generators, transformers, local feeders and motor-driven exciters will be controlled by motor operated 15,000 volt, H-3. switches the rupturing capacity of which is sufficient for the final total generator capacity at the low-tension busses.

$\frac{420 \times 62.5 \times 900}{550}$ x 75% 32,164 H.P.

Say 32,000 H.P. can be generated

420' Net head.

62.5 Weight of one C. Ft. of water

900 Quantity.

75% Over all efficiency of the station.

11. Head Works and Channels- The main diverting anikat was, during the 4th installation, raised 3 feet to cause 1,000 cusec to pass through the head gates when the water is standing at the Anikat crest and the Channel capacity was also increased to pass down 1,000 cusecs. Therefore no modificationsare necessary in this part of scheme.

12. Forebay The 1st installation provided four penstock chambers, 14 feet wide, 3 of which were made use of to supply through 3 penstocks 6 turbines of 1,150 H.P. each, i-e., 1 chamber and 1 penstock supplied two 1,150 H.P. units.

The 2nd installation provided 5 forebay chambers, 9 feet wide each of which was made use of to supply through a penstock one 1150 H.P, turbine i-e., 5 chambers and 5 penstocks supplied 5 main turbines.

The 3rd installation made use of the 4th, 14 foot chamber of the 1st installation,

The 4th installation provided 3 chambers 14 ft wide, two of which supplied, through two penstocks, two 2,000 H.P. units.

The 5th installation made use of the 3rd chamber of the 4th installation to supply one 2000 H.P. unit

D.O.

GJ 20-18-6

GOVERNMENT OF MYSORE

Office of the Excise Commissioner

in Mysore,

Bangalore, dated 9th November 1918.

No. Mus/C-277-18.

Dear Sir,

With reference to your D.O. letter No.Fl.2266-7, dated 1st November 1918, I wish to state that I shall be able to give some opinion on the variation expected from the estimated budget figure of R.58,90,000 for the year 1918-19, only on receipt of information as to actual collection made up to the end of October 1918. I am in communication with the Comptroller and the Deputy Commissioners in the matter.

Considering the effects of the present conditions everywhere on the consumers, the contractors, and the manufacturers of intoxicants, and in view of the restrictions placed in the retail sale of these, I am of opinion that the forecast of the Excise Receipts for the next two years 1919-20 and 1920-21, may not be anything more than the average revenue for the past three years.

Yours sincerely,

K Kuandy

To

J. S. Chakravarthi, Esq., M.A., F.R.A.S.,

Financial Secretary to Government,

Jnanalaya, Bangalore City.

D 1434

GOVERNMENT OF MYSORE

D.O.
No. 1373

DEPARTMENT OF MINES AND GEOLOGY,
MYSORE STATE.

Bangalore, 23rd November 1918.

Dear Sir,

In reply to your D.O.No.Fl.2266-71, dated the 1st November 1918, I beg to state that the revenue of this Department - (VIII Mining Revenue) - for the next two years, 1919-20 and 1920-21, may, I think, be roughly taken to stand at Rs.18,72,000 and 19,45,600, respectively. The enclosed statement contains a rough forecast of the revenue under different heads for the two years.

The forecast is necessarily a very rough one as it is impossible to foresee the contingencies which may occur in the next two years and to budget in advance for that period. Assuming, however, that normal conditions will be restored and having regard to the progressive tendencies and the investigations that are being made by this Department, as well as the growing interest that private men have also been recently taking in the development of mineral industries, I consider that the revenue of the next two years may be expected as above.

The main item of the mining revenue is the royalty on gold. This has been estimated at Rs.18,25,000 for 1919-20 and at 18,91,500 for 1920-21. The output during the four years, 1914-15 to 1917-18, which may be taken to represent the war period, has generally declined from year to year and consequently there has been a decrease in the royalty paid to Government. The decline in the output is attributed to the reduction in the tonnage of ore milled, owing to the paucity of both skilled and unskilled labour, shortage of explosives, the freaks of transport by sea, and inordinate delay in the execution of orders for materials required by the Mines. The year 1919-20 may see the return of a major portion of the skilled labour and a full complement of unskilled labour, which, coupled with a regular supply of mining requisites, may be expected to help the progress of the

development

(62)

development work and the opening of fresh ground and thus contribute to a material increase in the tonnage of ore milled Even making allowances for the increased expenditure to be incurred for work at greater depths in certain mines, I think we might count upon the output for 1919-20 to come to about the average of the 4 years of the war period, viz,- 5,50,320 ozs. and the royalty realisable to Rs.18,25,000. The year 1920-21 may also be a little more prosperous with the influx of the skilled labour from abroad and the increased development work in the mines, some of which are already holding out encouraging prospects. A larger output of about the average of that of the four years immediately preceding the outbreak of the war, viz,- 5,56,900 ozs. of gold and a royalty of about Rs.18,91,500 may perhaps be expected.

I addressed the Superintendents of the principal Mines on the Kolar Gold Field, with a view to obtain from them a forecast of the output of gold and the estimated dividends payable for the next two years, but have not been successful in getting the information.

With regard to the royalty on other minerals, the activities that have been lately in evidence in respect of Chrome, Asbestos, Kaolin and Ochres give us some encouraging hopes. The activity is specially noticeable in the case of Chrome and this is probably due to the increased demand for this ore created by the war. It is not possible to say what the conditions would be after the war, but in view of the satisfactory developments that have been noticed in certain mines in the State, a larger output may be estimated. Messrs. Tata Iron and Steel Co., may probably be able to buy a certain portion of the output and we may also require the ore for our own purposes when the Iron Works are started. The minimum rate of royalty on Chrome has also been increased from annas 12 to Re.1/- per ton. Proposals are under the consideration of Government in the matter of the increase of the minimum rate of royalty of China clay from annas 4 to annas 12 per ton in the case

of

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of the crude material and from annas 12 to Rs.1-8-0 per ton in the case of the washed kaolin. Under these circumstances, the royalty on all other minerals than gold for the years 1919-20 and 1920-21 may be roughly estimated at Rs.14,500 and Rs.17,500, respectively.

Some increases may also be anticipated under the heads "Fees for applications, for licenses and leases - rent on prospecting lands and rent on mining lands", as indicated in the detailed statement referred to above.

Yours sincerely,

B. Jagadisan.

J.S.Chakravarti, Esq., M.A., F.R.A.S.,
Financial Secretary to the
Government of H.H. the Maharaja of Mysore,
Bangalore.

VIII. Mining Revenue.

		1919-20	1920-21
1.	Royalty on gold.	Rs.18,25,000	Rs.18,91,600
2.	Royalty on other minerals.	14,500	17,500
3.	Fees for applications for licenses and leases.	1,500	1,600
4.	Rent on prospecting lands.	17,000	18,000
5.	Rent on mining lands.	14,000	17,000
	Total	Rs.18,72,000	Rs.19,45,600.

B. Jaya Ram.

Offg. Director,
Department of Geology.

Bangalore,
23rd Nov. 1918.

cvv

D.O. No Mis/c-277-18

Office of the Excise Commissioner

in Mysore,

Dated, Bangalore, 2nd December 1918.

Dear Sir,

In continuation of my D.O. No. Mis.C.277-18, dated 11th November 1918, I write to say that though the actual collections for the four months ending with 31st October 1918, are more by Rs.1,48,000 than the gross collection in the corresponding period of last year, the estimated budget amount for 1918-19 may not be increased to more than 60 lakhs as some allowance has to be made for remissions under rentals and fall in consumption of intoxicants during the remaining period of the current year. I may add that this would mean Rs.4,90,500 more than the average gross collections for the past six years ~~months~~.

Yours sincerely,

K Beardey

To

J. S. Chakravarthi, Esq.,

Financial Secretary to Government,

Jnanalaya, Bangalore.

G. R. S. III-2]

General and Revenue Secretariat.	File No.	of 191

Serial No.

NOTE—Contn. sheet.

WD A 1789—GPD—60,000—20-3-18—S.

D. 1530

OFFICE OF THE REVENUE COMMISSIONER
IN MYSORE.

Bangalore 4 - 12 - 1918

D Dis-668

Dear Mr.Chakravarti,

I am in receipt of your D.O. No.Fl.2266-71 dated 1st November 1918 requesting me to let you know at what figure I expect the revenue of my Department to stand during the years 1919-20 and 1920-21. It is difficult to give even a rough forecast now. The revenue of the Department has been fluctuating between ₹ 1,01,82,269 and ₹ 1,08,82,644 for the past eight years. The lowest was in 1914-15 and the highest in 1916-17. This year the monsoons having failed, a considerable fall in the revenue is anticipated. This should not, however, affect the revenue for the succeeding year except to the extent that any suspensions of revenue during the current year will be recovered in subsequent years. Assuming normal seasonal and other conditions to prevail in 1919-20 and 1920-21, I think we may safely expect to realise about ₹ 1,05,00,000 during each of these years. For 1919-20, it may be a little more as a good portion of the heavy arrears that may remain at the end of the current year may be recovered next year.

Yours sincerely,

P.S. I regret the delay in replying to your letter which is due to its having been misplaced.

G.R.S. III—3]

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ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

N. B.—Should routine notes be written on small slips, the notes must be copied or slips pasted on this form.

2 files. 65

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

Section ~~G-7~~

File No. ~~40-18~~

Serial No. ~~47~~.

GENERAL AND REVENUE SECRETARIAT

( )

, the *191*

No. H 3151-5

Date of issue 2 June 7/18

Signed by W B Badcock

To

The Revenue Commissioner

The Excise Commissioner

The Conservator of forests

~~The Asst Secretary for Railways~~

The Chief Electrical Engineer

The Director of Mines & Geology.

Sir,

With reference to D.O communications. No dated" giving a forecast for the years 1918-19 1919-20 & 1920-21, I am directed to request you to kindly furnish more definite figures, if avail-

over.

I have &c.

Rev commissioner No 668. Dated 4/12/18

Excise " " No misc 217-18-22-12-18.

Conservator of forests 4868 D 7.11.18.

~~Asst Secy for Railways~~

Chief Electrical Engr D.O 308 D 9.11.18

Director of mines & geology 1373 D 22/11/18

Gt 10-18-8

46

OFFICE OF THE REVENUE COMMISSIONER
IN MYSORE.

No. C 26002e. *Bangalore,* 3rd January 1919.

6-

FROM

K.R.Srinivasaiengar Esq., M.A.,
Revenue Commissioner in Mysore.

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Department.
F I N A N C I A L

SIR,

Referring to your letter No.Fl.3151-5 dated 2nd January 1919 requesting to furnish more definite figures of the forecast for the years 1918-19, 1919-20 and 1920-21, I have the honor to state that it is not possible to give any more definite forecast than the one already furnished.

I have the honor to be,
Sir,
Your most obedient servant,

Revenue Commissioner..

H.V.

R. C. 4

D 1771

From

The *Revenue Commissioner in Mysore.*

20852

To

The Secretary to the Government of
H. H. the Maharaja of Mysore,
Financial *Department.*

Dated 3rd January 1919.

Despatched 6-

Received 7 - JAN 1919

General No. C 26006 Ree

Enclosure No.

SUBJECT.

Stating that it is not possible to give any more definite forecast than the one already furnished.

G7 40—18 - 9.

D 18/17

Office of the Excise Commissioner

in Mysore,

21388

Dated, Bangalore, 8th January 1919.

No. Misc. 277-18

From

The Excise Commissioner in Mysore,

Bangalore.

The Financial Secretary to the

Government of Mysore,

Bangalore.

Sir,

Adverting to your letter No. Fl.3151-5, dated 2nd January 1919, I have the honour to state that it is not possible to give more definite figures as the Excise Receipts are not fixed but are fluctuating every year.

I have the honour to be,

Sir,

Your most obedient servant,

K Meandy

Excise Commissioner.

J.C.H.

GJ 20-18-10

GOVERNMENT OF MYSORE

D 1868

Electrical Department.

IN REPLY REFER TO
No.
ENCLO.

H-19196/9

Telegraphic Address:
"GOMED."

CODES USED
LIEBER'S
A. B. C. (5TH EDITION.)
BUSINESS TELEGRAPH CODE.

Fin. & Gen. Secy. Dept.
1 JAN 1919

21445

OFFICE OF THE CHIEF ELECTRICAL ENGINEER.

Bangalore, 10th January 1919
(Mysore, India.)

The Financial Secretary
to the Government of His Highness
the Maharaja of Mysore, Bangalore.

Sir,

Budget Estimates.

Referring to your letter No.FL.3151-5 of the 2nd instant, I have the honour to state that the increase of revenue figures given in my D.O. No.308 of the 9th November 1918 for the year 19-20 and 20-21 were based on the growth of revenue of previous years.

I have the honour to be,

Sir,

Your most obedient servant,

Chief Electrical Engineer
to the Govt. of Mysore.

MGK-VDB.

G7 40-18-11. D 1925

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U R G E N T.

Conservator's Office,

Dated Bangalore, 17th January 1919.

No 7882

From

M. G. Rama Rao, Esqr., B.A.,

Conservator of Forests in Mysore,

33509 Bangalore.

To

Rajamantrapraveena Dewan Bhadur

J.S. Chakrawarthi, Esqr., M.A., F.R.A.S.,

Financial Secretary to the Government of

H.H. the Maharaja of Mysore, Bangalore.

Sir,

Adverting to your letter No.FL.3151-5 of the 2nd instant, regarding the forecast for the years 1918-19, 1919-20, I have the honor to state that as already intimated, the Estimated - Revenue of 38½ lacs includes 28 lacs on account of "Sandal" - and "Minor Forest Produce"

The forecast under other heads, based as it is, on the - actuals of 1916-17, 1917-18, admits of no modification. As regards the Revenue under " Sandal ", I would suggest that the figure furnished by the Director of Sandal Oil Factories, if any, may be adopted since the realisation would depend, not - upon, how much the Forest Department could supply, but upon - what the Factories would purchase to suit their requirements. It would therefore be better to consult the Director on the - point, if more definite information is required. The Control of Government over the Tanning Bark collection and sale, still continues, and it is not known when it would cease. My estimate of 3 lacs under Minor Forest Produce, may therefore stand unchanged.

I have the honor to be,
Sir,
Your most obedient servant,

Conservator of Forests
in Mysore.

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D.O.No.180.
Ends. 2.

Public Works Secretariat,

Dated Bangalore, 26th February 1919.

My dear Mr.Chakravarti,

With reference to your D.O. No.273 dated the 25th instant regarding the programme of Capital expenditure for the coming year, I attach a note on the subject for your information.

Yours sincerely,

Madanbi

J.R
Ni

11
Today's
Council meeting.
27/2

D.O.letter No.273 dated the 25th February 1919, from the Financial Secretary to Government, enquiring whether the normal grant of 20 lakhs per year, fixed in G.O.No.Fl.2150-3/G.F 186-15-5 dated the 24th October 1918, for Irrigation and Hydro-Electrical Schemes respectively, will be sufficient for 1919-20.

The Krishnaraja Sagara Dam and allied works are the only works that are carried under "Capital Irrigation." The Budget grant for these works for the current year is Rs 24,02,000, or 25 lakhs in round figures. The grant required by the Superintending Engineer for the next year is Rs 41 lakhs, that is, Rs 21 lakhs in excess of the amount proposed for capital expenditure in the G.O. under reference, Vide copy of telegram attached.

2. The new schemes that are likely to be undertaken by the Electrical Department during the year 1919-20 are —

(1) The Bangalore Tramways, and

(2) the Sixth Installation of the Cauvery Power Scheme.

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3. (1) The revised estimate for the first scheme, sanctioned in pre-war days i.e., in April 1913, amounted to Rs 6,75,550. On account of the abnormal rise in prices of foreign materials, it is likely that the sanctioned estimate will be greatly exceeded. The Chief Electrical Engineer has been asked to submit a report on this point.

(2) The modified estimate for the Sixth Installation of the Cauvery Power Scheme amounts to Rs 32,42,000.

4. The above two schemes have not yet been sanctioned.

5. Rs20 lakhs will be sufficient for the Sixth Installation-

6. In case the tramway work is ordered to be undertaken during the next year, at least 7 or 8 lakhs will be required.

J.K

Telegram dated 26th February 1910 from the Superintending Engineer, Krishnaraja Sagara, ~~Dam~~ to the Chief Engineer of Mysore, Bangalore.

Your T.26. Grant for next year 41,85,500. Details sent to Chief Engineer Special Duty on 22nd.

IN REPLY REFER TO
No. D.O. 51
ENCLO. Two

GOVERNMENT OF MYSORE

74

Electrical Department.

IMMEDIATE.

Telegraphic Address:
"GOMED."

CODES USED
LIEBER'S
A. B. C. (5TH EDITION.)
BUSINESS TELEGRAPH CODE.

OFFICE OF THE CHIEF ELECTRICAL ENGINEER.

Bangalore, 26th February 191
(Mysore, India.)

Dear Mr.Chakravarti

With reference to your D.O. 274 dated the 25th instt I would refer you to the Minutes of our last Finance Sub-Committee Meeting held on the 27th Nov. 1918 in your office and think that the financial programme for the next 5 years can best be forecasted from the items mentioned therein.

I only received your note yesterday afternoon, too late to do anything with it, and the time you have given me is so exceedingly short that, I am afraid, it will not be complete in every aspect and I do not think that it will contain all of the items that will be taken up for consideration during the next 3 years. However, I am making it as complete as possible that the limited time permits me.

A statement is attached.

I will be in the office all day to-morrow and if I can be of use in explaining any of the items, I would be very glad to come up, should you let me know.

Dewan Bahadur
J.S.Chakravarti Esq.,
M. A. &c.

Yours sincerely,
S. G. Forbes

SGF_ARA

S T A T E M E N T.

Item

(1) Electric drive to the Maharaja's Mills. So far as the expenditure by this Department is concerned, this item has been completed and we are receiving a revenue of something over Rs. 3,000/- per month from this electrification.

(2) Electrification of Soldevanhalli Pumping Station. Part of the equipment has been received and cable advices from London inform me that the whole of the balance of the equipment will come forward during this month and therefore we expect the whole of the amount of this estimate, viz., Rupees 1,19,258/- will be expended during the year 1919-20 and the estimate closed.

(3) Electrification of Turbannalli Pumping Station. This is a small amount of Rs. 15,000/-, the expenditure of which depends on the action taken by the C. & M. Station authorities, and on account of the small amount, need not be taken into consideration.

(4) Electrification of the Bethamangala Pumping Station.

Amount of estimate, Rs. 2,15,793/-, out of which, Rs. 1,75,000/- will be expended during 1919-20 and the balance during 1920-21.

(5) Supply of additional power to Binny's Mills. This item will not involve any further expenditure on account of the Electrical Department, as the necessary capacity for this extra supply is provided for under the re-construction of Bangalore "A" Station and the extensions at Sivasamudram.

(6) & (7) Extensions of lighting & power installations in Bangalore & Mysore & power supply for small industries.

Rs. 1,00,000•/- for each of the 5 years.

(8) Pumping on the Arkavati at Kankanhalli. The capital expenditure under this head will be relatively small, amount-

ing

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to not more than Rs. 10,000/- for each of the 5 years.

(9) & (10). Pumping on the Cauvery at Talkad and power supply to large towns near the transmission line. These questions have not been completely investigated and it is not possible to say what the annual capital expenditure will be. A rough forecast may place it at Rs. 50,000/- per annum.

(11) Additional power for hoisting to the Mines. This will be provided for in the VI Installation at Sivasamudram, as the Transformer Station at K.G.F. will not require any further alterations for this purpose.

(12) Increase of power supply to the Mines. -do- -do-

(13) Power supply to French Rocks. Dropped.

(14) Supply of power for cooking and heating. This has been taken care of under the provision of items 6 & 7 above.

(15) Sixth Installation. An estimate amounting to Rupees 40,00,000/- has been submitted to Govt. and has been divided into 2 stages of Rs. 32,41,000/- and Rs. 7,59,000/-. The expenditure under this head for the first stage will be

for 1919-20	Rs.	20,00,000
1920-21.....		10,00,000
1921-22		2,41,000

The 2nd stage of the estimate will be completed in 1922-23, provided the 2nd stage of the Cauvery Reservoir Scheme is sanctioned.

(16) Mekadat Hydro-Electric Scheme. This will cost approximately Rs. 40,00,000/- and the work will be carried out during

1920-21.....	Rs.	5,00,000
1921-22		15,00,000
1922-23		20,00,000

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(17) Kannambadi Power Station. Approximately Rs. 10,00,000/-.

During 1922-23 .....Rs. 5,00,000
" 1923-24 5,00,000

(18) Bangalore Tramways. Approximately Rs. 9,00,000/-.

1919-20 .....Rs. 2,00,000
1920-21 4,00,000
1921-22 3,00,000

(19) Bangalore Mysore telephones. Rs. 2,45,000/-.

1919-20 1,50,000
1920-21 94,760

(20) Electrification of Railways. A major portion of expenditure under this item will be debitable to the Railway Deptt. and need not therefore be taken into consideration in this programme.

(21) Cyanamide. Rs. 20,00,000/-.

1920-21 5,00,000
1921-22 10,00,000
1922-23 5,00,000

(22) Electric Boiler for Sandal Oil Factory. Any expenditure under this head will be incurred by the Sandal Oil Dept.

(23) Jog Falls Power Scheme. The preliminary surveys will be completed during this year and the capital expenditure for the development of the scheme will depend on the power requirements of the Iron Scheme, and as I am not in a position to say what this will be, I cannot forecast the capital expenditure that will be incurred by this Deptt. on this Scheme.

(24) Re-construction of Mysore Transmission Line and distribution system for 10,000 H.P.

Approximately Rs. 10,00,000/.

This item must be carried out simultaneously with the Cyanamide Scheme, and in

1920-21	Rs. 3,00,000
1921-22	5,00,000
1922-23	2,00,000

(25) Ordinary Capital Works of the Deptt. such as quarters, storehouses and workshops.

1919-20	5,00,000
For each subsequent year	2,00,000

(26) Re-construction of Bangalore "A" Station.

1919-20	2,50,000

Nothing for the subsequent years.

Out of the above, the following have already been sanctioned.

Soldevanhalli Pumping Station

Bethamangala " "

Interior Lighting & Power of Bangalore, Mysore & C. & M. Station

Bangalore Mysore Telephone.

Re-construction of "A" Station, and

all of the ordinary capital works of the Department except about Rs. 1,00,000.

The above items are arranged as in the attached table.

****

Chief Electrical Engineer,
to the Govt.of Mysore.

Bangalore,
26-2-1918
SGF-ARA.

Programme of Budget Grant required for the next 5 years. 79

Works.	1919-20	1920-21	1921-22	1922-23	1923-24
Electrification of Soldevanahalli Pumping Station.	1,19,258	-	-	-	-
Elec. of Bethamangala Pumping Stn.	1,75,000	40,793	-	-	-
Extension of Interior Power & Ltg.	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
Pumping at Kankanhalli.	10,000	10,000	10,000	10,000	10,000
Pumping at Talkad.	50,000	50,000	50,000	50,000	50,000
Sixth Installation.	20,00,000	10,00,000	2,41,000	7,59,000	-
Mekadatu Project.	-	5,00,000	15,00,000	20,00,000	-
Kannambadi.	-	-	-	5,00,000	5,00,000
Tramways.	2,00,000	4,00,000	3,00,000	-	-
Bangalore & Mysore Telephones.	1,50,000	94,760	-	-	-
Cynamide.		5,00,000	10,00,000	5,00,000	-
Jog Falls.		-	-	-	-
Mysore Trans. and Distribution system for 10,000 H.P.		3,00,000	5,00,000	2,00,000	-
Ordinary Capital Works of the Department (Storehouse and Workshops, etc. etc.)	5,00,000	2,00,000	2,00,000	2,00,000	2,00,000
Re-construction of "A" Stn.	2,50,000	-	-	-	-
Total	35,54,258	31,95,553	39,01,000	43,19,000	8,60,000

Bangalore,
26-2-1919,
SGF-AAN.

Chief Electrical Engineer.

D.O. No.

GOVERNMENT OF MYSORE

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RAILWAY SECRETARIAT,
Mysore,
~~Bangalore~~, 26th February 1919.

My dear Chakravarti,

In compliance with your D.O. No.275 of 25th instant, I send herewith 2 statements showing probable outlay against Miscellaneous Railway Expenditure and Railways and Tramways under construction and to be constructed. Out of Rs.30,00,000 required for the year 1919-20 for Railway Constructions, six lacs are for Iron Work Tramways leaving Rs.24,00,000 for State Railways and State Aided Lines which is about 4 lakhs above the fixed normal annual outlay.

The figures furnished to the Comptroller lately provides for Rs.33,99,000 which I have reduced to Rs.30,00,000 and revised detailed statements are being sent to him accordingly.

Yours sincerely,

26/2/19.

Detailed Account 37--Railways and Tramways. 2 lines under construction.

	Budget Estimate 1919-20.	Revised Estimate 1918-19.	Budget Estimate 1918-19.
	Rs.	Rs.	Rs.
Summary.			
2 Lines under construction.			
State Railways and Tramways.			
1. Mysore-Arsikere line.	5,00,000	9,00,000	6,00,000
2. Tarikere-Narasimharajapura Tramway.	1,19,000	30,000	15,000
3. Thadasa-Hebbe Tramway. ...	10,000	2,00,000	2,00,000
4. Agasanhadlu-Benkipur Tramway.	2,50,000	2,20,000	2,50,000
Iron Ore Lines 5. Kemmangundi-Benkipur Tramway.	2,60,000	2,25,000	2,50,000
5a. New Iron ~~Ore~~ work Tramways.	90,000		
6. Branch Line Rolling Stock.	4,00,000	5,00,000	5,00,000
7. Shimoga-Arasalu Railway.	6,00,000	1,00,000	2,00,000
8. New lines. (Nanjangud-Erode Railway). Bangalore Hosur "	24,39,000	2175,000	20,15,000
State Aided Railways.			
9. Kolar District Railways. (Rolling Stock).	1,50,000	62,500	1,64,000
10. Bangalore-Chikballapur Light Railway. (Rolling Stock).	1,70,000	75,000	1,97,000
11. Chickjajur-Chitaldrug Railway.	2,50,000	2,50,000	4,00,000
	5,70,000	3,87,500	7,61,000
Grand Total. Rs.	30,09,000	25,62,500	27,76,000

26/2/19

Secretary for Railways,
Government of Mysore.

ALM.

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35. Miscellaneous Railway Expenditure, 2 Surveys.

Surveys.	Budget Estimate 1919-20	Revised estimate 1918-19.	Budget Estimate 1918-19.
Sira Chitaldrug Railway Survey		3,000	2,000
Nanjangud Kakanote		6,000	-
Shimoga Bhatkal Railway including Harbour Survey.	15,000	20,000	13,200
Forest Tramways.		20,000	10,000
Mudigere Koppa Railway.		2,400	-
Aracalu Thirthahalli Survey		3,000	3,000
Kolar Mulbagal Survey.		2,600	1,300
For New Surveys.	5,000		5,500
Kadur Chickmagalur Railway		4,000	
Banasandra Oblapur Tramway.		2,000	
Total	20,000	63,000	35,000

CSS.

26-2-19

Secretary for Railways,
Government of Mysore.

mau
26/2/19.

D.O. No: 47
Confidential

Urgent

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OFFICE OF THE AGENT,
MYSORE STATE RAILWAYS,

Bangalore, 9th February 1918.

Dear Mr. Srinivasiengar,

As personally desired by you, I am sending herewith a statement showing the amounts required for capital expenditure on Railways during the next three years. This is only a rough forecast and much depends upon how soon the projects are sanctioned by Government. The maximum spending capacity of the Department is only 40 lakhs and if this amount is allotted for each year it will be distributed to the different projects as shown in the statement if the projects are sanctioned., Even if all are sanctioned and construction work started on them, as a matter of fact it may be taken that items 6,7,9,11,12,15 & 16 may not be taken up during the triennium and this may reduce the demands to 40 - 33 - 16 for the 3 years 1918-19, 19-20 & 20-21.

Yours sincerely,

M. K. Venkatachala

Forecast of expenditure on Capital construction of Railways for the next 3 years.

Projects.	Grant required in lakhs. 1918-19.	1919-20.	1920-21.	Remarks.
STATE LINES				
1. Shimoga-Arasalu Railway	4	8	2	
2. Thadasa-Hebbe Tramway	2	..	..	
3. Nanjangud-Kakankote Railway	4	8	10	
4. Branch line rolling stock.	5	..	..	
5. Mysore-Arsikere Railway.	6	1	..	
6. Mysore-Coorg Railway.	..	4	5	
7. Nanjangud-Erode Railway	..	10	10	Provision made for work up to Chamarajanagar only
8. Narasimharajapura-Koppa Tramway	..	2	..	
9. Shimoga-Bhatkal (section beyond Arasalu)	..	2	8	
10. Kadur or Birur to Chickmagalur.	3.	3	3	
11. Chickmagalur to Mudigere	...	2	5	
12. Koppa to Mudigere.	..	2	3	
DISTRICT BOARD LINES.				
13. Chickjajur-Chitaldroog (Government share)	4	1	..	
14. Kolar District and Bangalore Chikballa-				mainly for the purchase of additional rolling

15.	Bangalore-Hosur Railway.		2	5	
16.	Tumkur-Sira-Hiriyur-Chitaldroog.		2	5	
	IRON INDUSTRIES.				
17.	Forest Tramways. ...	5	5	..	For Kemangundi Benkipur and Narasimharajapura-Benkipur Tramways.
18.	Surveys including Bhatkal Harbour investigation.	1	1	1	
	Total in Lakhs	40	57	57	

Note:- But as the spending capacity of the Department is not more than 40 lakhs per annum, a sum of 40 lakhs may be allotted for each year and this will be distributed to the different works according to necessity. This is only a rough programme and it is subject to alteration according to sanction to the various project estimate.

9.2.28.

Forecast for the triennium ending 1920-21

RECEIPTS	Budget Estimate 1918-19	1919-20 +or- to 18-19	1919-20 Total	1920-21 +or- to 1919-20	1920-21 Total
	-10.3	+5.00	+5.00	+5.00	+5.00
Principal Heads of	22.39	+4.66	22.05	+2.80	22.85
Surplus Revenue of Assigned Tracts	1.13	-1.13	-	-	-
Mining Revenue	17.50	-	17.50	-	17.50
Interest	9.80	-2.40	7.40	-1.40	6.00
Civil Administration	1.68	-	1.68	-	1.68
Protection	.75	-	.75	-	.75
Public Works	1.08	-	1.08	-	1.08
Moral and Material Developments	3.41	+.47	3.88	+.50	4.38
Army and Defence	.26	+ .5	.31	+ .10	.41
Railways—Revenue Account—Net Receipts	11.78	+1.47	13.25	+2.00	15.25
Productive Irrigation Works—Revenue Account—Net Receipts	4.78	+.22	5.00	+.20	5.20
Cauvery Power Works—Net Receipts	15.68	+.82	16.50	+.75	17.25
Industrial and other Works—Revenue Account—Net Receipts	8.09	+.96	9.05	+.75	9.80
Total Revenue	298.33	+5.12	303.45	+5.70	309.15

DISBURSEMENTS	Budget Estimate 1918-19	1919-20	1920-21
Direct Demands on Revenue	38.61	34.63	38.03
Charges against Mining Revenue	11.23	11.23	11.23
Interest and Sinking Funds	21.34	22.50	24.00
Palace	23.50	23.50	23.50
Civil Administration	30.79	29.58	29.80
Protection	30.61	31.32	31.66
Public Works	41.56	35.86	36.44
Moral and Material Development	63.14	58.01	60.10
Army and Defence	52.62	49.93	48.17
Famine Relief and Insurance	5.00	5.00	5.00
Railways—Revenue Account	.69	.70	.70
Special Reserves for Non-Recurring Expenditure	4.62	3.50	3.50
—unspent allotments transferred to balances at Credit of Depts.	----	+.8	+.9
Total Expenditure	323.94	306.76	312.13
Deduct—Expenditure met from balances at credit of Depts. and Reserves	25.82	6.40	7.50
Total Expenditure charged to Revenue	297.92	300.36	304.63
Surplus + Deficit—	+.41	+3.09	+4.52
Total	298.33	303.45	309.15

Heads	Budget Estimate 1918-19	1919-20	1920-21
Surplus +, Deficit —	-10.00 / +41	+5 / +3.09	+5 / +4.52
Capital outlay not charged to Revenue	-93.13	-65.00 -110.00	-65.00 -110
Debt, Deposits and Advances:—			
Investment account (Net)	—	—	—
permanent and Temporary debt (Net)	—	—	—
unfunded debt (Net)	+7.15	+5.00	+5.00
Reserve funds (Net)	-10.00 +26.11	+30.00	+29.70
Local and other funds (Net)	+ 6	+ 50	+ 50
Deposits (Net)	—2.41	—4.00	—4.00
Advances (Net)	—4.38	—6.00	—6.00
Suspense (Net)	—	—	—
Departmental Balances (Net)	+ 24	—	—
Loans (Net)	—9.03	—	—
Investment in War loan (Net)	-30.00	—	—
Extra-ordinary expenditure:—			
War gift	-10.00		
Loss on exchange on remittance from England	-5.00	—	—
Outgoings additional to Budget noted in para 3 of Ways and means note dated 12.7.18 excluding the last item of loss on exchange now included under Extra-ordinary expenditure	-11.12	—	—

Net deficit of year's transactions	1.31.10	36.41	35.28
Balance required at end of the year	80.00	80.00	80.00
Total required.	2.11.10	1.16.41	1.15.28
To be met from opening Balance	1.69.96	80.00	80.00
——do—— realization of Investments	41.14	27.00	—
Deficit which cannot be met by sale of Investments.		9.41	35.28
Total.	2.11.10	1.16.41	1.15.28

Comptroller

P.T.

FORECAST FOR THE TRIENNIUM ENDING 1920-21.

RECEIPTS.	Budget estimate 1918-19	1919-20. + or - to 1918-19	1919-20. Total	1920-21. + or - to 1919-20	1920-21. Total
Principal Heads of Revenue ..	2.12.39	966	2.32.05	780	2.34.85
Surplus Revenue of Assigned Tract ..	113	-1.13	-	-	-
Mining Revenue	17.50	-	17.50	-	17.50
Interest	9.80	-2.40	7.40	-1.40	6.00
Civil Administration	1.68		1.68	-	1.68
Protection	75	-	75	-	75
Public Works	1.08	-	1.08	-	1.08
Moral and Material Development ..	3.41	+47	3.88	+50	4.38
Army and Defence ..	26	+5	31	+10	41
Railways Revenue Account—Net Receipts	11.78	+1.47	13.25	+2.00	15.25
Productive Irrigation Works—Revenue Account—Net Receipts ..	4.78	+22	5.00	+20	15.20
Cauvery Power Works—Net Receipts ..	15.68	+82	16.50	+75	17.25
Industrial and other Works Revenue Account Net Receipts. ...	8.09	+96	9.05	+75	9.80
Total Revenue ...	288.33	1012	3.08.45	1.070	3.14.15

DISBURSEMENTS.	Budget estimate 1918-19.	1919-20	1920-21
Direct Demands on Revenue ...	38.61	37.63	38.03
Charges against Mining Revenue ..	11.23	11.23	11.23
Interest and Sinking Funds ...	21.37	22.50	24.00
Palace	23.50	23.50	23.50
Civil Administration	30.79	29.58	29.80
Protection	30.61	31.32	31.66
Public Works	41.56	35.86	36.44
Moral and Material Development ..	63.14	66.01	69.10
Army and Defence ...	52.62	47.93	48.17
Famine Relief and Insurance	5.00	5.00	5.00
Railways—Revenue Account	69	70	70
Special Reserve for Non-Recurring Expenditure	4.62	3.50	3.50
Add—Unspent allotments transferred to balances at Credit of Depts ...			
Total Expenditure ...	3.23.74	3.14.76	3.21.13
Deduct—Expenditure met from balances at credit of Depts. and Reserves ...	25.82	6.40	7.50
Total Expenditure charged to Revenue...	2.97.92	3.08.36	3.13.63
Surplus + Deficit	-959	+9	+52
Total ...	288.33	3.08.45	3.14.15

Heads.	Budget estimates. 1918-19.	1919-20.	1920-21.
Surplus + Deficit -	-959	+9	+52
Capital outlay not charged to revenue	-93.13	-110.00	-110.00.
Debt, Deposits, and Advances:-			
Investment account (Net)			
Permanent & Temporary Debt (Net)		-	-
Unfunded debt (Net)	+ 7.15	+ 5.00	+ 5.00
Reserve funds (Net)	+ 16.11	+ 30.00	+ 29.70
Local and Other Funds 'Net)	+ 6	+ 50	+ 50
Deposits (Net)	- 2.41	- 4.00	- 4.00
Advances (Net)	- 4.38	- 6.00	- 6.00
Suspense (Net)	-	-	-
Departmental balances (Net)	+ 24	-	-
L o a n s (Net)	- 9.03	-	-
Investment in War Loan (Net)	- 30.00	-	-
Extraordinary expenditure:-			
W a r G i f t	- 10.00	-	-
Loss on exchange on remittance from England	- 5.00	-	-
Outgoings additional to Budget noted in para 3 of Ways and Means note dated -- 12th July 1918 excluding the last item of loss on exchange now included under Extraordinary expenditure	- 11.12	-	

Net deficit of year's transactions	1.61.10.	84.41	84.28.
Balance required at end of the year.	80.00	80.00	80.00
Total required	2.31.10	1.64.41	1.64.28
To be met from opening balance	1.69.96	80.00	80.00
To be met from realization of investments	61.14	7.00	0.00
Deficit which cannot be met by sale of investments.	-	77.41	84.28
T O T A L	2.31.10	1.64.41	1.64.28

D.O. No. 279

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Financial Secretariat,

Bangalore the 1st March 1919.

My dear Krishna Rao,

Government have ~~originally~~ provisionally fixed the capital expenditure programme for 1919-20 at 90 lakhs as shewn below:-

Cauvery Power Works ...		10 lakhs.
Krishnarajasagara ...	...	25
Railways	...	20
Iron Scheme	...	25
Other Industrial Schemes	...	10
	Total	90 lakhs.

You have now dealt with the chief revenue budgets and have been able to form a rough idea as to how the position will be at the end of the current year as regards cash balances. Roughly speaking there is the falling off under Forest, Land Revenue, and Mining, counterbalanced to some extent by figures under Surplus revenue of the Civil & Military Station, Excise and Railways. There will also be a large lapse under capital programme In view of these the cash position may, on the whole, be somewhat better than anticipated.

Would you kindly let me have a brief note which will

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will of course be very rough and approximate now shewing whether the 90 lakhs programme can be carried out next year from the cash balance and from the reserves andrevenue surpluses of next year without external borrowing? Of course we want to keep a cash balance of 80 lakhs on hand on 30th June 1920. Will it be possible to do this and to find money for 90 lakhs capital programme by (a) selling surplus investments in excess of 100 lakhs, and (b) from reserve funds and surplus cash for 1919-20?

In short what I am working at now is to find out whether any borrowing will be necessary on the 90 lakhs capital programme basis and I shall be obliged if you will kindly help me in arriving at a correct decision. We may take it that excluding the falling off in land revenue, the expenditure on food grain scarcity relief will not exceed 5 lakhs.

Yours sincerely,

Sd. J. S. Chakravarti,

M.N.Krishna Rao, Esq., B.

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D.O.No. 2524 Bks

Office of the Comptroller,

Bangalore, 5th March '19.

Dear Sir,

I received on the 2nd instant your D.O.No.279 regarding arrangements necessary for financing a Capital Programme of 90 lakhs.in the next year. I waited for making up the Ways and Means Estimate before replying to your letter. This Estimate is now ready and I find that we can find 90 lakhs without resorting to borrowing. I have explained the position in para 15 of my General Note on the First Edition Estimates, which I herewith send.

Yours sincerely,

M.N.Narasimha Rao

Rajamantrapravina Dewan Bahadur

J.S.Chakravarti, Esq.,M.A..F.R.A.S..

Secretary to Government,

Financial Department.

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General Note on the First Edition of the Budget Estimates for 1919-1920.

****

(Figures in this note are in thousands)

1. Estimates Considered. The Revised for the current yea and the Budget for the next year of Revised Revenue under all the important heads have been provisionally approved by Government. This Note deals with the Estimates approved by Government for these heads and as proposed by me for other heads ~~for current year~~ of Revised Revenue and for all heads of Expenditure.

2. Results of the First Edition. The position in the current and next years according to the first Edition of the Estimates is shown in the subjoined statement.

	Budget 1918--1919.	Revised 1918-1919.	Budget 1919-1920.
Revenue	2,98,33	2,97,13	2,98,51 ~~3,00,50~~
Expenditure	2,97,92	2,96,81	2,98,07 ~~2,99,89~~
	+41	+32	+44 ~~+61~~

3. Comparison of the Budget with the Revised for the current year. Revenue. The Revised is on the whole less than the Budget by ¼ lakhs, which ~~however~~, is the net result of large variations from the Budget. The Principal Heads of Revenue are less than the Budget expectation by about 10½ lakhs. The largest decline appears under Forest and it is chiefly due to the extra sales of sandalwood made to the Sandal Oil Factories in the previous year and to the reduced demand of the Factories for wood in the current year. The fall of 2⅓ lakhs under "Land Revenue" is attributable to the present unfavourable agricultural situation. The decrease under these two heads is compensated by the improvement under "Excise" which is as large as 6 lakhs. The other heads which show appreciable falling off are (1) Mining Revenue, (2) Krishnarajasagara Works and (3) Cauvery Power Scheme. The entire Mini

Revenue

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Revenue and the major part of the Cauvery Power Revenue are - received in sterling, the silver value of which has gone down. Government have ordered that the rate of exchange for conversion of sterling into silver should be taken at 1s. 6d. the rupee - which is nearer the present market rate than the previous fixed rate of 1s. 4d. The Estimates have been based on this rate of exchange and the decline under "Mining Revenue," "Cauvery - Power Scheme" and "Krishnarajasagara Works" is chiefly due to the reduction in the silver value of the sterling revenue from these sources.

The heads which show improvement over the Budget are (1) Assigned Tract Revenue, (2) Railways and (3) Sandal Oil Factories. The increase in the surplus revenues of the C. & M. Station is due to the receipt of arrears. The earnings of all Railway Lines are expected to be much better than the Budget anticipation. The increase under Sandal Oil Factories is the result of the expected realisation of the proceeds of 13 months' production of oil against that of 12 months' anticipated in the Budget.

4. Expenditure. The noticeable instances of increases over the Budget are (1) General Administration, (2) Sanitation and Vaccination, (3) Civil Works, (4) Industries and Commerce and (5) - Miscellaneous Railway Expenditure.

The excess under General Administration is contributed by all the ~~important~~ chief minor heads as explained in my Budget Note on this major head.

The extra expenditure that had to be incurred on account of Influenza explains the excess under Sanitation and Vaccination.

The increase under Industries and Commerce is as large as 2½ lakhs. The whole of this excess appears under "Minor Industries." The Budget Estimates of the Revenue Accounts of these Industries were framed, as explained in my note on this major head, on the assumption that the realisations would at least cover the year's expenses. The Revised shows that while the working expenses have largely exceeded the Budget grants, the

receipts

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receipts have fallen far short of such expenses and the result is the substantial excess of over 2½ lakhs, which mainly represents the amount locked up in raw materials and manufactured articles.

The increase under Civil Works is chiefly due to the purchase of the Kumara Park at a cost of 4 lakhs. Larger outlay on Shimoga -Bhatkal Railway and Harbour Surveys and the undertaking of five new surveys for which no provision was made in the Budget Account for the increase ~~of 41~~ under Mis. Railway Expenditure.

The heads which show appreciable decreases are (1) Capitalisation Fund, (2) Irrigation Works charged to Revenue, (3) Education, (4) Agriculture and (5) Army. The decline under ~~"~~ Capitalisation Fund ~~"~~ is due to the contraction of ~~the~~ - Mining Revenue. The saving under Irrigation Works is due to lapses which usually occur under this head. The reduction - under Agriculture ~~and~~ Education and Army is the result of - savings on special grants not expected to be fully utilised.

5 Revised considered with reference to Financial - Settlement. The standard of total revenue on which Assignments to the different Departments and Contributions to the various Reserves are fixed is 2,67,50. According to the Revised, the amount available for distribution among the Departments and - Reserves is only 2,60,27 excluding ₹ 9,28 to be received in the current month on account of surplus Revenues of the Assigned Tract. How this sum of 9,28 should be treated for the purpose of the Settlement is a point to be considered. The Assigned Tract Surplus has been a very largely fluctuating item of revenue and its payment to us has also not been regularly made. The annual surplus on which we may count is uncertain, and, until the amount payable to us is settled and the payment also is made regularly every year, we shall not be ~~xxx~~ in a position to decide how this revenue should be treated under the Financia Settlement. In fixing the standard of revenue on which the current Settlement is based, the amount of this ~~savings has bee~~ Surplus was taken at 1,50 and no growth was counted upon for ~~the~~ distribu-

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distribution among the Departments. Whether the annual revenue from this source will be more or less than this amount, it is not possible now to say. We received no surplus revenue in the year 1917-18 and at the rate of 1,50 each for the last and current years, only 3,00 can strictly be included in the amount for distribution among the Departments. The balance of 6,28 should properly be viewed as an item of extraordinary revenue under para 11 of Government Order dated 13th May 1918. If only 3,00 is included in the ordinary Revenue Account, the amount available for division would be only 2,63,27 against the minimum of 2,67,50 required for satisfying the demands of all the Departments and Reserves, and the case would be one of decrease in the revenue of the year compared with the standard assumed for the Settlement and the deficiency should under para 8 of the same Government Order, be shared by the Departments at the rates at which the growth of revenue is allotted to them. The Budget for the current year was drawn upon the assumption that the resources would not fall short of the amount required for allowing all the assignments and reserves in full nd it would not therefore be right to disappoint the expectations of the Departments by proposing, during the currency of the year, any reduction in their assignments and requiring them to curtail their programmes of expenditure. It is therefore necessary, I think, to include the entire amount of 9,28 in the ordinary Revenue Account. With this addition the amount available for distribution will be 2,69,55 against the minimum requirement of 2,67,50. I have treated this item of revenue accordingly and drawn up the pro-forma account crediting full assignments to all the Departments. The excess of 205 may also be distributed in the prescribed proportions among the Departments though it cannot strictly be viewed as a growth of revenue.

~~I invite reference to the Pro-forma account of the groups according to the Revised~~. The group "Palace" shows an over drawal of 8. No overdrawal can however, be permitted. Please see para 8 of the Order sanctioning the Settlement. There is one item of expenditure

amounting

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amounting to 30 -Tour charges of H.H. the Maharaja- which I think may be classed as special and met from an equivalent contribution from the Special Reserve for Non-Recurring Expenditure. With this aid this group will close with a balance of 22.

The account of the group "Civil Administration" as now made up results in the reduction of ~~the~~ its opening balance by 42. The demands on this group are always heavy and it is desirable to afford relief to it to the extent of any ~~[illegible]~~ expenditure of an ~~unadmitted~~ special ~~operation~~ character included in it in the Revised. Of the whole expenditure of 65 on account of the Food Control Operations, 9 has already been treated as special under Government Order No. G.6876-77 PP.74-18-12 dated 3rd October 18 and I think the balance of 56 may also be viewed as special and met from a grant from the Special Reserve for Non-Recurring Expenditure. With this help, this group will have a balance of 124 at the beginning of next year.

The group "Public Works" closes with a minus balance of ~~54~~ 47 and if there is no means of preventing this overdraft in the current year, it will have to be made good by reduced expenditure in the next.

For construction and maintenance of some important District Board Roads 50 was provided in the Budget. As the group "Local Self Government" was not considered to be capable of bearing this expenditure, this charge was ordered to be met from a grant from the ~~Excise~~ special Reserve. The probable expenditure against this grant according to the Revised is only 15 and ~~by~~ as this group has a ~~very~~ large balance to its credit it is unnecessary to give it. Any special ~~aid~~ for meeting the small outlay of 15.

6. Contribution to Special Reserve for Non-Recurring Expenditure for 1918-1919. The extra contribution of 1,12 to this reserve anticipated in the Budget on account of the increase in interest charges over 4,00 assumed in the standard, stands reduced to 18 according to the Revised. This is due to lapses of Capital grant

7. Ways and Means, 1918-19. The Budget anticipation was that the current year would close with a balance of 95,37. The present

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that the balance at the end of the current year will be

expectation, according to the Revised is ₹1,25,09. The improvement is mainly due to the ~~heavy~~ large savings on capital grants and the non-utilisation of the major portion of the provision for the grant of ~~the~~ loans to Coffee Planters.

8. Comparison of the Current Year's Revised with the next year's Budget - Revenue. The Budget shows ~~a net~~ an improvement of ₹1 1/3 lakhs on the whole and ~~it~~ this is the net result of a large increases and decreases. The Principal heads of Revenue are better by 18¾ lakhs The current year's Revenue from Forest is very low, while that budgeted for next year is about the level maintained by this Revenue during the past few years. Of the improvement of 18¾ - lakhs, 14 1/3 lakhs is accounted for by Forest. The rest of the increase appears under all the important heads as the Budget assumes that the next year will be a normal one. The improvement under Cauvery Power Scheme is attributable to the larger quantity of power expected to be taken by the Mines, the ~~expected completion of~~ electrification of the Soledevanahalli Pumping Station, and the steadily growing demand for Power and Lighting Installations in both the Cities.

The heads which show appreciable decline are (1) Assigned Tract Revenue, (2) Interest, (3) Railways and (4) Sandal Oil Factories. The Budget counts upon the surplus revenues of the Assigned Tract for only one year against the large arrears collected in the current year. The reduction in the revenue from Interest is attributable to the sale of Securities for financing Capital Works, and to no income being expected from temporary investments, as the level of Cash balances in the next year is likely to be lower than in the current. The decline under Railways is ~~mainly~~ due to the anticipation that the working expenses of the next year will be very high, as the long deferred programme of repairs and renewals will be - resumed. The Budget of Sandal Oil Factories assumes that the - production of only 12 months will be disposed of in the next year against that of 13 months in the current year and also counts on an

average

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average rate per lb. of Rs.25/- for oil sold locally and of Rs.26⅔ for that sold in Foreign Markets, against the rates of Rs.26 and 30/ taken in the Revised. ~~This explains the reduction in the Revenue from the Sandal Oil Factories.~~

9. Expenditure. The heads which show appreciable increases are (1) Interest on debt and other obligations, (2) Police and (3) Grants for Public Improvements. The growth in the balance of Savings Bank and other Deposits carrying interest explains the increase under 'Interest.' The reorganisation of the Police Department ~~chiefly~~ accounts for the excess under " Police ". As usual full provision is made under the different heads of Public Improvements while the Revised anticipates only Expenditure which is probable in the light of 6 months actuals. This explains the difference between the Revised and the Budget under 'Grants for Public Improvements'

The noticeable cases of decreases are (1) Forest, (2) Sanitation and Vaccination, (3) Civil Works, (4) Education and (5) Industries and Commerce. The Budget does not provide for the same level of Expenditure on Timber Operations as in the current year and this is mainly the reason for the decrease under 'Forest.' The Revised includes heavy charges on account of Influenza and the absence of such charges in the next year accounts for the decrease under Sanitation and Vaccination. The expenditure under Civil Works in the current year is high as it included the price of the Kumara Park purchased by Government. For reasons explained in my Budget Note on this head, the grant proposed by me does not include appropriations required for the Palace Civil Works, the Bhadra Project and the New Guests' Palace at Mysore. These causes explain the reduction in the Budget compared with the Revised of Civil Works. The Estimates proposed by me does not include special grants requiring sanction of Government for repition, and hence the difference between the Budget and the Revised under Education.

The Budget of Industries and Commerce as framed by me expects receipts from Industrial Concerns roughly based on the outstanding at the beginning of the next year and the outlay provided for on

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on account of working expenses in the same year and it does not also provide for any Capital Expenditure for minor Industries as I have no information of the requirements of the Department in this respect. This explains the large reduction compared with the Revised.

Budget considered with reference to the Financial Settlement.

10. The amount available for distribution among the Departments and Reserves is 2,70,97 against the standard of 2,67,50. There is thus a growth of 3,47 which has been divided among the Departments at the rates fixed in Government Order dated 13th May 1910. The account of group "Civil Administration" as now made up results in a debit balance of 1,24. It is necessary to afford some relief to this group to prevent the overdraft and also to enable it to have some working balance. As in the Revised, I would propose that the expenditure of 50 on Food Control Operations included in the Budget under "17 Miscellaneous" be met from a grant from the Special Reserve. As in the current year's Budget, 25 given for the purchase of Kannada Punching Machines for the Press may also be treated as special and not from the same source. With this help as also with that afforded in the Revised as proposed by me in para 5 above the minus balance of 1,24 will be converted into a plus balance of ~~10~~ 7.

The group "Public Works" closes with a ~~nominal~~ minus balance of 14 and it is therefore necessary to reduce the grant for the next year so as to leave a balance of about 1,00 under Government Order No.F.6245-52/G.F. 112-12-8 dated 19th April 1910.

The grants required next year for the Bhadra Project and the New Guests' Palace at Mysore are not known and whatever amount is required for these works has to be included in the Budget of "Civil Works" and a corresponding grant transferred to the group Public Works from the Irrigation Capital and Special Reserves. The addition to ~~the~~ Civil Works of the appropriations for these two

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works will not affect the balance of the group "Public Works.

Including the aid proposed by me for the Palace group in the Revised, the balance of this group would stand at ~~1,25~~ 1.17 and from this has to be met the appropriations required for the Palace Civil Works in progress. The Budget estimates of original Works ~~have~~ has not yet been received from the Chief Engineer and the amount required for those works is not known and it has not therefore been included in the Estimate ~~xx~~ proposed by me for Civil Works or shown as expenditure in the pro-forma account of this group.

The balance of 35 out of the grant of 50 for the Construction of some important District Board roads provided in the Budget can be met from the normal resources of the group "Local Self Government" and it is therefore unnecessary to allow any grant from the Special Reserve.

The accounts of the other groups do not call for remarks.

//. Funds available for Expenditure in addition to grants already proposed. The normal annual expenditure of each group should be limited to the ~~aggregate of the~~ fixed ~~assessment~~ assignment plus the ~~share~~ of the growth of Revenue plus the departmental receipts in the case of groups having this resource in addition. If the balances of Departments permit, Expenditure in excess of the normal annual resources, definitely known to be non-recurring can be sanctioned without however trenching upon the minimum balance of each group. The terms of the Settlement now in force require renewal from ~~1919~~ 1920-21 and it is therefore desirable to avoid commitments which it may not be possible to provide for at the next revision of the Settlement. It is also necessary to have freedom to make readjustments according to the demands to be provided for, in fixing the terms of the Settlement at its next renewal. I note below the resources available for the different groups, the estimates already proposed for them and the margin, if any, for additional expenditure.

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Groups	Total Annual Resource	Budget Estimate already - Proposed.	Margin for additional recurring expenditure after leaving sufficient working balance.
Direct Demands upon Revenue	37.42	37,50	[illegible]
Palace	27,15	26,20	95
Civil Administration	28,47	30,39	[illegible]
Protection and Army	42,64	42,47	17
Public Works	29,38	29,05	[illegible] 9
Local Self Government	10,25	11,88	[illegible]
Moral and Material Development.	45,73	45,79	[illegible]

Overdrawal in the Revised to be made good.

12. Need for a separate assignment and balance for " 23 Irrigation Works". I would again urge the desirablity of keeping the funds allotted for " Irrigation Works " separate from ~~xxxx~~ those for " Civil Works. The combination of Irrigation and Civil Works under the same group has been much to the detriment of the former. For some reason or other the funds allotted for Irrigation Works are not fully spent and all savings on the grants for such works are utilised for meeting the increasing demands of Civil Works. One of the essential objects of the Settlement is that the needs of all the Departments should be satisfied according to their urgency and importance. The importance of Irrigation Works cannot be over-rated and the funds allotted for them should not, I think, be permitted to be diverted for other purposes. In the current year the group Public Works started with a balance of 3,22 and of this amount 2,20 represented the savings on the grant for Irrigation works in 1917-18. The Revised anticipates that this year again there will be a saving of 2,79 on the grant for Irrigation Works. But the whole of this amount 220 + 279 = 497 has been utilised by Civil Works.

The arrangement which permits Civil Works to benefit at the expense of Irrigation Works is undesirable and should, I think, be

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altered. Irrigation Works should have their own assignments and if they are unable to spend the whole of their grant in any year, ~~so~~ the unspent balance should remain earmarked for their use in a subsequent year.

Sandal Oil Factory Transactions. While framing the Budget Estimate for the current year it was found that owing to the long delay in the transport and sale of oil, large quantities of oil remained undisposed of and that the working expenses were in excess of ~~the~~ gross receipts with the result that large minus net receipts had to be shown in ~~the~~ estimates and accounts. These ~~transactions~~ minus results reduced the amount available for distribution among ~~the~~ Departments ~~for~~ according to the Financial Settlement and it was therefore considered necessary last year, as a temporary measure, to depart from the usual method of budgeting and to take in the Revenue Estimates only the working expenses relating to the quanity of oil actually disposed and bring under an advance head the balance of working expenses. This procedure was a departure from the ordinary rule of budgeting for net receipts as it resulted in anticipating unrealised Revenue and allotting unrealised revenue for actual expenditure. Reversion to the usual arrangement of budgeting for only ~~this~~ correct net receipts, followed in the case of concerns like the Cauvery Power Scheme and the Railways, is very desirable but as the quantity of undisposed of oil at the end of the year is still ~~very~~ large the adoption of the ~~usual~~ normal procedure is not now possible. ~~At the end of current year~~ The amount outstanding on account of working advances is expected to be 8,30 at the end of the current year and ~~that at the end of the next~~ 8,95 at the end of the next.

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14. Contribution to Special Reserve for Non-Recurring Expenditure 1919-20. For reasons explained in para 7 of my General Note on the Second Edition of the Budget Estimate for 1918-19, I propose to add to this Reserve the whole of 5,00 released by the reduction in the net contribution from the year's Revenue Account to the Reserve for Interest on Capital Expenditure. The demands upon this Special Reserve are always heavy and it is necessary to strengthen it whenever possible. The expenditure on the New Guests' Palace at Mysore, ~~on~~ the Census Operations, ~~on~~ the visit of the Viceroy and other similar charges have all to be met by drawing upon this Reserve.

15. Ways and Means 1919-20. Remittances of our sterling balances have become possible for some time past but we are still not in a position to get our balances to India whenever we want. We have to wait until there are purchasers of our drafts on Messrs. Coutts & Co., and we cannot therefore count upon our sterling balances being available for Indian expenditure always. It is therefore necessary to assume for the purpose of our calculations that a part of our balances in London will be ineffective. I take this amount at a very moderate figure—7½ lakhs. Adding to it the gold balance of 2½ lakhs in the State Mint Treasury, ~~of 5 lakhs~~, I roughly assume that 10 lakhs will be ineffective making allowance for this, we should close the next year with 90 lakhs. The subjoined statement shows the resources of next year, the demands upon them and how the deficiency could should be met.

Resources.			Demands.	
Surplus Cash Balance 1,25,00 - 90,00 = 35,00		35,00	Capital Expenditure already proposed	83,65
Budget Surplus	..	44	Balance available for additional Service Capital and Loan ~~and others~~ demands	10,29
Investments	..	20,00		
Reserve Funds	..	30,00		
Debt Heads excluding ~~Reserves~~ Investments and Reserve Funds		7,50		
		92,94		92.94

The Capital programme proposed by me in the departmental Estimates submitted to Government is for 83,65. If we sell securities to realise 20,00, as assumed in the above statement, we shall have a margin of ~~10,64~~ 10,29 for further Capital Outlay and for additional outgoings on account of service expenditure which it may be found necessary to sanction in addition to the estimates proposed by me. If a larger amount than ~~10,64~~ 10,29 should be required, we shall have to sell more securities. The following is a list of the securities we would hold after disposing off paper sufficient for realising 20,00 assumed in the above calculation:-

		Face Value	Approximate Market Value.
5% Indian War Loan	..	25,33	23,31
5½% do	1921	15,00	15,00
do	1925	7,50	7,50
do	1928	7,48	7,52
4% G.I.P.Railway Debentures		30,73	23,60
4% Madras Municipal Loan		3,00	3,25
4% Calcutta do		4,00	3,20
Karachi Port Trust		2,50	2,00
3½% Govt. of India Sterling		17,13	13,16
4% Bombay City Improvement Bonds	..	4,69	4,23
Mysore Bank F.D.	..	10,00	10,00
		127,36	110,82

The excess over 1,00 lakhs is therefore 10,82 and this represents the maximum amount available for adding to the programme, as in the first edition of the Budget, of outgoings of next year on all accounts- ~~Revenue~~ Service, Capital and Loans. ~~and Advances.~~ I have assumed in my calculations that we shall not subscribe to the next Government of India Loan as we cannot afford to do ~~it~~ so, having our own heavy Capital Programme to finance.

Bangalore
The 5th March 1919

M N Narasimha Rai
Comptroller.

GOVERNMENT OF HIS HIGHN

Budget Estima

GENERAL ABSTRACT OF REVEN

(In thousands of rupees.)

Heads of Revenue	Accounts, 1917-18	Budget, 1918-19	Estimates				Explanation difference
			As proposed by Comptroller		As sanctioned Government		
			Revised, 1918-19	Budget, 1919-20	Revised, 1918-19	Budget, 1919-20	
Principal Heads of Revenue—							
I. Land Revenue	1,07,35	1,07,43	97,48	1,10,47	1,05,18	1,08,07	
II. Forest	44,43	40,69	26,65	41,06	26,65	41,00	
III. Excise	62,26	58,90	65,07	68,95	65,07	66,00	
IV. Miscellaneous taxes	35	35	32	32	32	32	
V. Stamps	12,35	12,53	12,30	12,50	12,30	12,78	
VI. Registration	2,38	2,49	2,30	2,30	2,39	2,49	
Total ...	**2,29,12**	**2,22,39**	2,04,12	2,35,54	2,11,91	2,30,66	
Surplus Revenue of Assigned Tract—							
VII. Assigned Tract Revenue ...	...	**1,13**	9,28	1,13	9,28	1,13	
Mining Revenue—							
VIII. Mining Revenue	**16,24**	**17,50**	15,30	14,40	15,30	15,52	
Interest—							
IX. Interest	**13,58**	**9,80**	9,22	8,21	9,22	8,21	
Civil Administration—							
X. Scientific and Miscellaneous Departments	16	18	20	16	20	16	
XI. Pensions and Allowances ...	19	15	15	15	15	15	
XII. Stationery and Printing ...	37	20	24	24	24	24	
XIII. Miscellaneous	1,64	1,15	16,5	1,55	1,65	1,55	
Total ...	**2,36**	**1,68**	2,24	2,10	2,24	2,10	
Protection—							
XIV. Courts of Law	43	40	34	37	34	37	
XV. Jails	10	2	2	2	2	2	
XVI. Police*	6	6	7	6	7	6	
XVII. Medical	66	22	23	22	23	22	
XVIII. Sanitation and Vaccination ...	5	5	4	4	4	4	
Total ...	**1,30**	**75**	70	71	70	71	
Public Works—							
XIX. Civil Works	**1,54**	**1,08**	1,21	1,20	1,21	1,20	
Moral and Material Development—							
XX. Education	2,41	2,55	2,24	2,25	2,24	2,25	
XXI. Agriculture...	73	83	1,14	80	1,14	80	
XXII. Industries and Commerce ...	9	3	3	3	3	3	
Total ...	**3,23**	**3,41**	3,41	3,08	3,41	3,08	
Army and Defence—							
XXIII. Army	**33**	**26**	34	25	34	25	
Carried over ...	**26,67,70**	**2,58,00**	24,582	266,62	25,361	24,286	

* Sanctioned estimates under the required heads of [illegible] incl — D.

THE MAHARAJA OF MYSORE.

for 1919-20.

AND EXPENDITURE.

(In thousands of rupees.)

Heads of Expenditure	Accounts, 1917-18	Budget, 1918-19	Estimates				Explanation for difference
			As proposed by Comptroller		As sanctioned by Government		
			Revised, 1918-19	Budget, 1919-20	Revised, 1918-19	Budget, 1919-20	
Direct Demands on Revenue—							
1. Land Revenue	20,41	21,49	21,33	21,35	21,33	21,35	
2. Forest	10,62	11,12	11,18	10,65	10,65	10,65	→ 11,18
3. Excise	3,56	3,65	3,56	3,52	3,56	3,52	
4. Stamps	77	1,14	1,13	79	1,13	79	
5. Registration	1,06	1,21	1,21	1,19	1,21	1,19	
Total ...	**36,42**	**38,61**	38,41	37,50	38,41	37,50	
Charges against Mining Revenue—							
6. Capitalization Fund	8,72	9,41	80,7	814	807	8,14	
7. Supervision of Mines	1,71	1,82	185	196	185	196	
Total ...	**10,43**	**11,23**	992	1010	992	1010	
Interest and Sinking Funds—							
8. Sinking Fund	3,34	3,33	333	333	333	333	
9. Interest on Debt and other Obligations	7,75	9,04	866	949	866	949	
10. Reserve for Interest on Capital Expenditure	9,00	9,00	900	900	900	900	
Total ...	**20,09**	**21,37**	20,99	21,82	20,99	21,82	
Palace—							
11. Palace	**23,50**	**23,50**	2350	2350	2350	2350	
Civil Administration—							
12. General Administration... ...	11,21	10,53	1183	1151	1183	1157	
13. Muzrai Institutions	3,60	3,73	367	356	367	356	
14. Scientific and Miscellaneous Depts....	1,37	1,33	129	140	129	140	
15. Pensions and Allowances ...	8,50	8,99	890	900	890	900	
16. Stationery and Printing ...	4,55	4,79	441	453	441	453	
17. Miscellaneous	1,17	1,42	130	195	130	195	
Total ...	**30,43**	**30,79**	3140	3195	3140	3195	
Protection—							
18. Courts of Law	8,99	9,63	946	973	946	973	
19. Jails	1,03	1,25	111	112	111	112	
20. Police	10,27	11,62	1120	1227	11,20	12,27	
21. Medical	6,41	6,83	696	680	6,96	6,80	
22. Sanitation and Vaccination ...	1,27	1,28	166	108	1,66	1,08	
Total ...	**27,97**	**30,61**	3039	31,00	30,39	31,00	
Public Works—							
23. Irrigation Works charged to Revenue	11,67	15,16	12,37	12,30	12,37	12,30	
24. Civil Works	22,57	26,40	29,84	21,75	29,84	21,75	
Total ...	**34,24**	**41,56**	42,21	34,05	42,21	34,05	
Moral and Material Development—							
25. Economic Conference	2,36	2,54	2,31	2,17	2,31	2,17	
26. Education	28,79	37,97	36,30	35,72	36,30	35,72	
27. Agriculture	4,23	6,14	5,40	4,86	5,40	4,86	
28. Industries and Commerce ...	3,01	3,19	5,71	2,02	5,71	2,02	
29. Co-operative Societies	85	1,05	93	1,02	93	1,02	
Local Self Govt— Total ...	3924	6089	50.65	45.71	50.65	46.79	
30. Grants for Public Improvements ...	874	12,25	8.15	11.95	8.15	11.95	
Army and Defence—							
31. Army	15,10	17,62	16,47	12,61	16,47	12,61	
32. Subsidy to British Government ...	35,00	35,00	35,00	35,00	35,00	35,00	
Total ...	**50,10**	**52,62**	51,47	47,61	51,47	47,61	
Famine Relief and Insurance—							
33. Famine Relief	...	...	---	1,50	---	1,50	
34. Famine Insurance	5,00	5,00	500	500	500	500	
Total ...	**5,00**	**5,00**	500	650	500	650	
Carried over ..	**2,86,16**	**3,18,43**	3,12,09	3,01,67	3,12,09	3,01,67	

Pro-forma ACCOUNT OF ADMINISTRATIVE DEPARTMENTS SHOWING ASSIGNMENTS MADE TO THEM, THE EXPENDITURE INCURRED AND THE UNSPENT BALANCE AT THEIR CREDIT.

Administrative Departments	Budget Estimate, 1919-20			Revised Estimate, 1918-19			Budget Estimate, 1918-19			Accounts, 1917-18		
	Details	Add Unspent Allotments	Deduct Expenditure met from Balance	Details	Add Unspent Allotments	Deduct Expenditure met from Balance	Details	Add Unspent Allotments	Deduct Expenditure met from Balance	Details	Add Unspent Allotments	Deduct Expenditure met from Balance
Direct Demands on Revenue—												
Balance on July 1st ...	3,32			3,38			51			...		
Assignment for Expenditure ...	36,90			36,90			36,90			36,90		
Growth of Revenue ...	~~52,69~~			31			3			2,90		
Special grant (see page) ...	...			1,14			1,35			...		
Total ...	~~41,91~~ 40,14			41,73			38,79			39,80		
Expenditure ...	37,50			38,41			38,61			36,42		
Closing Balance ...	~~3,54~~ 3,24			3,32			18			3,38		
Addition to Balance ...		~~22~~									3,38	
Deduction from Balance ...			8			6			33			
Palace—												
Balance on July 1st ...	—8			34			72			...		
Assignments for Expenditure—												
Palace ...	23,50			23,50			23,50			23,50		
Staff and Household of H. H. the Maharaja ...	1,36			1,36			1,36			1,36		
Public Works ...	1,00			1,00			1,00			1,00		
Palace Military ...	1,14			1,14			1,14			1,14		
Growth of revenue ...	~~1,20~~			9			13			82		
Special grant (see page) ...	...			...			...			...		
Total ...	~~27,15~~ 27,07			27,43			27,85			27,82		
Expenditure—												
Palace ...	23,50			23,50			23,50			23,50		
Staff and Household of H. H. the Maharaja ...	1,56			1,84			1,36			1,86		
Public Works ...	...			1,03			1,71			98		
Palace Military ...	1,14			1,14			1,14			1,14		
Total ...	26,20			27,51			27,71			27,48		
Closing Balance ...	~~87~~ ~~95~~			—8			14			34		
Addition to Balance ...		95										
Deduction from Balance ...		~~1,03~~				42			58		34	
Civil Administration—												
Balance on July 1st ...	68			1,10			37			...		
Assignment for Expenditure ...	26,16			26,16			26,16			26,16		
Growth of Revenue ...	~~2,38~~			12			19			1,15		
Special grant (see page) ...	...			62			1,20			...		
Departmental Receipts ...	2,10			2,24			1,68			2,36		
Total ...	~~29,97~~ 29,15			30,24			29,60			29,67		
Expenditure ...	30,39			29,56			29,43			28,57		
Closing Balance ...	~~—1,12~~ 1,24			68			17			1,10		
Addition to Balance ...			192									
Deduction from Balance ...			~~1,00~~			42			20		1,10	
Carried over ...		~~1,05~~ 95	~~1,00~~ 2,00		...	90		...	1,11		4,82	

1918-19.

D EXPENDITURE.—(concld.)

(In thousands of rupees.)

Head of Expenditure	Accounts, 1917—18	Budget 1918—19	Revised, 1918—19	Budget, 1919—20	Revised, 1918—19	Budget, 1919—20	Explanation for difference
			Estimates				
			Approved by Council		As sioned by Government		
Brought forward ...	2,86,16	3,16,...					
lway—Revenue Account—							
35.Mis. Railway Expenditure ...	1,43	69					
gin Reserve for Non-Recurring Expenditure	5,82	4,62					
Total payments ...	2,93,11	3,23,74					
-Unspent allotments transferred to balances at credit of Departments	26.37						
Net—Expenditure m : from balances at credit of Departments and Reserve Funds ..	6.02	23,82					
d Expenditure charged to Revenue ...	3,13,46	2,97,92					
p+or Deficit	+1,79	+41					
Grand Total	3,15,25	2,98,33					

L REVENUES FOR 1918-19.

ce lay ... ged to Revenue.	40,81	23,13				
dus y ... dure	..	...				
ne ccount (Net)	..	...				
Net)	..	...				
lan d ab (Net)	..	...				
Funds (Net)	..	..				
nd ... r funds (Net)	.	..				
(Net)	..	2,41				
t)	29.72	4,38				
N	..	.				
... l Balance (Net)	...	..				
... ..	1,50	3,03				
... (Net) ...	28	...				
Total ...	71.70	1,03,93				
Closing balance ...	1,10,96	95,37				
Grand Total ...	1,82,66	2,04,32				

Budget Estimate

GENERAL ABSTRACT OF REVENUE

(In thousands of rupees.)

Heads of Revenue	Accounts, 1917-18	Budget, 1918-19	Estimates				Explanation for difference
			As proposed by Comptroller		As sanctioned Government		
			Revised, 1918-19	Budget, 1919-20	Revised, 1918-19	Budget, 1919-20	
Brought forward ...	2,67,70	2,88,00					
Railways—Revenue Account—							
XXIV. Railways (Net Receipts) ...	14,28	11,78					
Productive Irrigation Works—Revenue Account—							
XXV Irrigation Sagara Works (Net Receipts) ...	3,73	4,78					
Canvery Power Scheme—Net—Revenue Account—							
XXVI Canvery Power Scheme (Net receipts	14,07	16,68					
Industrial and Other Works—Revenue Account—Net—							
XXVII Sandal Oil Factory—Net ...	15,24	7,74					
XXVIII. Kolar Gold Fields Water-supply—(Net receipts)	23	38					
Total ...	15,47	8,09					
Total Receipts	3,15,25	2,98,33					

GENERAL ABSTRACT OF RECEIPTS AND

Su...pins	1,79		41
Inve...ment account (Net)	28,65		59,39
Pay...t (Net)			...
L...ded debt (Net)	14,91		7,15
Res...rve funds (Net)	35,35		26,11
...and other funds (Net)	7,09		6
D...s Net)	22,81		...
Sin...s (Net)			...
Dep...ts (Net)	1,79		...
To...l Balance (Net)	10		24
...Net)			...
...mittances (Net)	3,97		...
...Hands (Net)...			...
Total ...	1,16,48		93,39
Opening balance ...	66,18	1,10,96	
Grand Total ...	1,82,66	2,04,32	

Bangalore,

Pro-forma ACCOUNT OF ADMINISTRATIVE DEPARTMENTS SHOWING ASSIGNMENTS MADE TO THEM, THE EXPENDITURE INCURRED AND THE UNSPENT BALANCE AT THEIR CREDIT.

Administrative Departments	Budget Estimate, 1919-20			Revised Estimate, 1918-19			Budget Estimate, 1918-19			Account, 1917-18		
	Details	Add Unspent Allotments	Deduct Expenditure met from Balance	Details	Add Unspent Allotments	Deduct Expenditure met from Balance	Details	Add Unspent Allotments	Deduct Expenditure met from Balance	Details	Add Unspent Allotments	Deduct Expenditure met from Balance
Brought forward					...	90		...	1,11		4,82	
Protection and Army—												
Balance on July 1st ...				3,42			1,81			...		
Assignment for expenditure	41,24			41,24			41,24			41,24		
Growth of Revenue ...				26			40			2,47		
Special grant (see page) ...	...			1,05			2,85			...		
Departmental Receipts—												
Protection ...							75			1,30		
Army ...	25			34			26			33		
Total ...				47,0			47,31			45,34		
Expenditure—												
Protection ...	31,0			30,39			30,61			27,96		
Army ...	11,47			15,33			16,48			13,96		
Closing Balance ...		17					22			3,42		
Addition to Balance ...						2,13					3,42	
Deduction from Balance ...									1,58			
Public Works—												
Balance on 1st July ...	—47			3,22			2,97			...		
Assignment for Expenditure	27,80			27,80			27,80			27,80		
Growth of Revenue ...				23			35			2,14		
Special grant (see page) ...	...			3,25			4,31			...		
Departmental Receipts ...	1,20			1,21			1,08			1,54		
Total ...		29,91		35,71			36,51			31,48		
Expenditure ...	29,05			36,18			34,85			28,26		
Closing Balance ...				—47			1,66			3,22		
Addition to Balance ...		53									3,22	
Deduction from Balance ...						3,69			1,31			
Local Self-Government—												
Balance on 1st July ...	3,61			1,51			1,25			...		
Assignment for Expenditure	10,25			10,25			10,25			10,25		
Special grant (see page) ...	...			...			1,25			...		
Total ...	13,86			11,76			12,75			10,25		
Expenditure ...	11,85			8,15			12,25			8,74		
Closing Balance ...	2,01			3,61			50			1,51		
Addition to Balance ...					2,10						1,51	
Deduction from Balance.			1,60						75			
Moral and Material Development												
Balance on July 1st ...	8,20			13,40			12,48			...		
Assignment for Expenditure	41,17			41,17			41,17			41,17		
Growth of Revenue ...				87			1,33			8,23		
Special grant (see page) ...	...			...			...			...		
Departmental Receipts ...	3,08			3,41			3,41			3,24		
Total ...				58,85			58,39			52,64		
Expenditure ...	45,79			50,65			50,89			39,24		
Closing Balance ...				8,20			7,50			13,40		
Addition to Balance ...												
Deduction from Balance ...			6			5,20			4,98		13,40	
TOTAL					2,10				9,74		26,37	

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ACCOUNT OF EXPENDITURE MET FROM DEPARTMENTAL BALANCES AND RESERVES

	Budget Estimate, 1919—20	Revised Estimate, 1918—19	Budget Estimate, 1918—19	Accounts, 1917—18
Departmental Balances (*vide* pages 74 and 75) ...	3,66	11,92	9,74	—
Reserve for Interest on Capital Expenditure (Details below) ...	7,00	4,18	5,12	—
Reserves for Non-recurring Expenditure, Special Grants (*vide* page 77)	1,50	6,06	10,96	—
Total	12,16	22,16	25,82	—

DETAILED ACCOUNT OF CHARGES AGAINST—Reserve for Interest on Capital Expenditure.

	Budget Estimate, 1919—20	Revised Estimate, 1918—19	Budget Estimate, 1918—19	Accounts, 1917—18
RAILWAYS AND TRAMWAYS.				
Mysore-Arsikere Railway—				
Working Expenses			3,00	
Interest			3,41	
Deduct—Gross Earnings			*4,50*	
NET CHARGE ...			1,91	
Tarikere-Narasimharajapura Tramway—				
Working Expenses			33	
Interest			21	
Deduct—Gross Earnings			*20*	
NET CHARGE ...			34	
Tadasa-Hebbe Tramway—				
Working Expenses			...	
Interest			5	
Deduct—Gross Earnings			...	
NET CHARGES ...			5	
Shimoga-Arasalu Railway (Net charge) ...			4	
Kolar-District Railway—				
Working Expenses			1,14	
Interest			39	
Guaranteed Interest			20	
Share of surplus profits payable to District Board...			13	
Deduct—Grass Earnings			*1,80*	
NET CHARGES ...			6	
Bangalore-Chikballapur Light Railway—				
Working Expenses			71	
Interest			25	
Guaranteed Interest			28	
Share of surplus profits payable to the Company			3	
Deduct—Gross Earnings			*1,15*	
NET CHARGE ...			13	
Chickjajur-Chitaldrug Railway—				
Working Expenses			...	
Interest			11	
Guaranteed Interest			...	
Share of surplus profits payable to District Board			...	
Deduct—Gross Earnings			...	
NET CHARGE ...			11	
New Lines—				
Working Expenses			...	
Interest			38	
Deduct—Gross Earnings			...	
NET CHARGE ...			38	
IRRIGATION WORKS.				
Krishnarajasagara Works—				
Working Expenses			30	
Interest			6,16	
Deduct—Gross Receipts			*5,08*	
NET CHARGE ...			1,38	
INDUSTRIAL WORKS.				
Working Expenses			...	
Interest			72	
Deduct—Gross Receipts			...	
NET CHARGE ...			72	
Bangalore Electric Tramway ...			...	
Total Net Charge ...			**5,12**	

The Mysore Imperial Service Lancers' War Fund.

Chalan—Original.

(This should be retained by the remitter.)

Date .....

Treasury Chalan No. .....

Amount remitted (in words) .....

.....

(in figures) .....

Remitter's Signature .....

Designation .....

Residence .....

Taluk .....

Numbers of receipts covered by this Chalan from

..... to .....

Received the above amount.

Treasury Officer's Signature.

W D 1737—GPI—100 books of 100 sheets each—17-1-16

The Mysore Imperial Service Lancers War Fund.

Chalan—Duplicate.

(This should be retained by the Treasury.)

Date

Treasury Chalan No.

Amount remitted (in words)

.....

(in figures)

Remitter's Signature

Designation

Residence

Taluk

Numbers of receipts covered by this Chalan from ..... to

Received the above amount.

Treasury Officer's Signature.

The Mysore Imperial Service Lancers War Fund.

Chalan—Triplicate.

(This should be sent to Comptroller with the monthly schedule.)

Date .....

Treasury Chalan No. .....

Amount remitted (in words) .....

.....

(in figures) .....

Remitter's Signature .....

Designation .....

Residence .....

Taluk .....

Numbers of receipts covered by this Chalan from ..... to .....

Received the above amount.

Treasury Officer's Signature.

The Mysore Imperial Service Lancers War Fund.

Chalan—Quadruplicate.

(This should be sent to the Honorary Secretary to the Fund on the date of remittance.)

Date .....

Treasury Chalan No. .....

Amount remitted (in words)

.....

(in figures) .....

Remitter's Signature .....

Designation .....

Residence .....

Taluk .....

Numbers of receipts covered by this Chalan from ..... to .....

Received the above amount.

Treasury Officer's Signature.

DETAILED ACCOUNT OF GRANTS AND EXPENDITURE FROM SPECIAL RESERVES FOR NON-RECURRING EXPENDITURE.

(*Vide* Pro-forma Account, page .)

(i) For non-recurring Expenditure—	Budget Estimate 1919-20	Revised Estimate 1918-19	Budget Estimate 1918-19	Accountf 1917-18
Direct Demands on Revenue.				
Land Revenue—				
Supply of furniture to Revenue offices ...		9	9	
Forest—				
Research ...		...	10	
Communications and buildings ...		13	17	
Industries ...		5	5	
Kumbi Settlement ...		2	5	
Extra grants for Fire protection, Demarkation charges, Working plans, etc.		35	39	
Stamps—				
Cost of water-marked paper ...		50	50	
Total ...		114	1,35	
Civil Administration.				
General Administration—				
Stationery and Printing—				
Kannada punches and matrices ...		...	40	
Machinery for the Press ...				
Marwar — Construction and repairs to temples ...		11	-	
Miscellaneous—				
Exchange on remittances from England ...		12	50	
~~Contribution to "Our Day" Fund~~ ...				
Portraits of His Highness the Maharaja ...		38	30	
Establishment of Controller of Coins Supplies ...		9		
Total ...		69	1,20	
Public Works.				
Civil works ...		1,00	4,31	
Total ...		1,00	4,31	
Protection and Army.				
Jail—				
Industries ...		-	10	
Medical—		18	25	
Europe medicines ...				
Army—				
I. S. Regiment Field Service charges ...		...	1.00	
I. S. T. Corps mobilisation ...		87	1,50	
Total ...		105	2,85	
Local-Self Government.				
Grants for Public Improvements—				
Grants for Sanitary Improvements ...			75	
For the construction and maintenance of important Roads by District Boards.			50	
Total ...		...	1,25	
(ii) Irrigation Reserve	-	225		
(iii) Famine Insurance Reserve ...	1,50	-		
Total Special Grants	150	606	10,96	

APPENDIX A

CONTAINING G. O. NO. FL. 6779-828—G. F. 39-17-1, DATED 13TH MAY 1918, ISSUING INSTRUCTIONS FOR THE GUIDANCE OF HEADS OF DEPARTMENTS AND THE SEVERAL ADMINISTRATIVE DEPARTMENTS OF THE SECRETARIAT IN REGARD TO THE FINANCIAL SETTLEMENT.

READ—

Note by Mr. K. L. Datta, Special Officer, suggesting the adoption of a Scheme of Departmental Financial Settlement for Mysore.

The subject of devising a scheme of Financial Settlement for regulating the growth of expenditure in the various departments of the State so as to check extravagance while securing the utilisation of the resources of the State for purposes of progress and advancement in all directions, has been under consideration for some time. In March 1917, Mr. K. L. Datta, Special Officer, submitted a note on the subject after a careful study of the growth of revenue and expenditure for some years past and the prospects and necessities of the future. Government have been pleased to accept the scheme formulated by Mr. Datta and the Budget Estimates for the current year have been framed in accordance with that scheme.

2. The scheme is based on the principle that after providing for certain reserves in order to meet future contingencies and to permanently safeguard the Financial stability of the State and after providing funds required to meet its obligatory expenditure, the resources of the State should be utilised in a systematic manner for development in all directions. Under normal conditions and careful administration, the revenue of the State will continue to grow and it is essential that this growth of revenue should be applied in definite proportions, for developing different branches of the administration simultaneously in accordance with their importance, in such a way as not only to ensure the expenditure of the revenue mainly in the directions most needed for continuous progress and advancement but also that the needs of none of the Administrative Departments may be neglected.

3. As all departments will have a share in the growth of the revenue under their administration, if any, the scheme if further expected to stimulate departmental officers to take effective measures for developing their revenue as they will be able thereby to add to their resources. If their revenues decline, the means available to them for improving the efficiency of their departments, will be less. At the same time, the fact, that only a definite sum will be available to each group for carrying out schemes of improvement or development appertaining to it, will act as a restrictive against extravagance.

4. The scheme will be actually worked in practice in the manner explained below. The present normal standard of the annual revenue of the State as well as the present normal standard of expenditure under the different heads have been determined and after providing for the reserves which are necessary for safeguarding the financial stability of the State, the balance of the revenue has been allotted to the different departments to meet their present scale of expenditure and to provide for improving their efficiency. These allotments will be further supplemented year by year by definite shares of the future growth of revenue of the State.

5. For purposes of determining the revenue and its growth and making allotments to departments, the whole administration has been divided into the following 4 groups of revenue-producing departments and 8 groups of spending departments and the reserves. The standard of revenue under each group and the assignments made to the several groups of spending departments are also shown against each.

REVENUE.

Revenue-producing departments	Standards of Revenue	Estimated annual growth
	Rs.	Rs.
I. The principal Heads of Revenue	2,22,18,000	4,50,000
II. Surplus Revenue of the Assigned Tracts ..	1,50,000	....
III. Mining Revenue (Net) .. .. (After deducting contribution to Capitalisation Fund.)	5,49,000	20,000
IV. Interest (Net Receipts) and Productive Works—Revenue Account (Net) .. .. (Including net profits on Railways, Cauvery Power Scheme, Krishnarajasagar Works, Kolar Gold Fields Water-supply and Industrial Works.)	38,33,000	2,00,000
Total ..	2,67,50,000	6,70,000

EXPENDITURE.

No.	Spending departments	Assignments for expenditure		
		Fixed	Annual growth of revenue	
			Percentage	Estimated share
		Rs.		Rs.
1	Direct Demands on Revenue	36,90,000	15	70,000
2	Palace (see para 9 below)	27,00,000	5	30,000
3	Administration, ...	26,16,000	7	42,000
4	Protection and Army	41,24,000	15	90,000
5	Political, *i.e.*, Subsidy to British Government ...	35,00,000	...	.....
6	Public Works	27,80,000	13	78,000
7	Local Self-Government, *i.e.*, grants for Public Improvements	10,25,000	...	.....
8	Moral and Material Development, excluding grants for Miscellaneous Improvements	41,17,000	50	3,00,000
9	Reserves—			
	Reserve for Interest and Sinking Fund on Capital Expenditure ... 12,33,000			
	Reserve for Famine Relief and Insurance 5,00,000			
	Reserve for Capital Expenditure on Irrigation Works ... 5,00,000			
	Reserve for non-recurring Expenditure 3,50,000	21,98,000	10	60,000
	Loss on Productive Works to be deducted from total expenditure of year ... ... —4,00,000			
	Net Surplus 15,000			
	Total ...	2,67,50,000	100	6,00,000

6. The present standard of the net revenue of the State has thus been taken at Rs. 2,67,50,000 and after providing out of it for all the reserves which are considered necessary for safeguarding financial stability, the whole of the balance, except a sum of Rs. 15,000 has been distributed among the several groups of departments to enable them not only to meet their present standard of normal expenditure but also to provide for development as far as it is possible within the resources immediately available. It is also estimated that the annual growth of revenue will amount for the present to Rs. 6,70,000, of which Rs. 4,50,000

will be under principal heads of revenue and 15 per cent of this or Rs. 70,000 will be allotted to the group Direct Demands on Revenue. Of the balance of Rs. 6,00,000, 90 per cent will be distributed among the other groups year by year at the rates shown in the table and 10 per cent will be kept as a reserve for unforeseen contingencies. The fixed annual assignment shown against each group will be allotted to it every year and this allotment will be supplemented year by year by the fixed percentage of the growth of revenue in that year over the present standard as shown in the table. These allotments should enable all the departments not only to meet their current expenditure but also to have sufficient funds for developing their respective charges and improving their efficiency.

7. The groups "Civil Administration," "Protection and Army," "Public Works" and "Moral and Material Development," will also be allowed to spend the whole of the receipts appertaining to their own departments. Each Department will thus have a direct incentive to improve its own revenues.

8. Every group will be required to keep its expenditure within the total funds thus allotted to it and no group will be allowed to exceed its grants under any circumstances. If there is an actual decrease in the revenue in any year, the deficiency will have to be met by the departments at the rates at which the growth of revenue is allotted to them, either by a reduction of their expenditure in different directions or from their accumulated balances.

9. The grant under "Palace" includes the Civil List, Pensions to the Ruling Family, Staff and Household of His Highness the Maharaja, Palace Military and Palace Civil Works. All the above will not be shown in the accounts under the group "Palace" but will be classified under different heads as at present. For the purposes of the *Pro-forma* account, however, they will be taken together, so as to ascertain the funds available for expenditure on the purposes mentioned.

10. It should be remembered that in assigning the amounts allotted to each group for actual expenditure, the requirements of all the departments included in it, should be taken into consideration and should be met one after another by turns in accordance with their urgency and importance as funds become available. Attempts to push vigorously in the same year, schemes of development in all the departments included in a group, should therefore be avoided as far as possible.

11. In order to carry out this idea in actual practice, the Government will arrange for a distribution of the total funds which may be available under each group in the two years, in accordance with the estimates shown in para 5 among the different departments after a consideration of the urgency and importance of reform in each of them. In the case of groups like "Protection and Army" and "Moral and Material Development," which are under the control of more than one administrative department, the distribution of the funds among the different departments will be made by the several administrative departments concerned after consultation with each other. The distribution of the funds thus made will be communicated to the Heads of Departments to enable them to submit, after careful consideration, detailed proposals for reform and improvement. This will facilitate to a great extent the consideration by Government of the various schemes which may be submitted to them for consideration and sanction.

12. The reserves provided for are as follows:—

(*a*) The creation of a larger famine reserve by setting aside Rs. 5 lakhs in lieu of two lakhs per annum as at present. This fund will also be credited every year with interest on the balance of the fund at five per cent per annum.

(*b*) A reserve of Rs. 9 lakhs per annum to meet the interest on capital expenditure during the construction of the works and the losses inevitable during the first few years after their completion. The annual loss on the productive works during the period of their construction and for first three years after their completion will be calculated at 4 per cent on the amount spent on them and will be charged to the deposit account of the reserve fund to which the annual contribution will be credited. The fixed sum will be charged under the head 'Interest' on debt by *per contra* credit to a deposit head for the reserve fund. The total annual loss will be deducted from the grand total expenditure of the year by *per contra* debit as a charge against the reserve fund.

(*c*) A sinking fund payment of Rs. 2 lakhs per annum for capital expenditure met either from past savings or from borrowed funds. This is in addition to the sum of Rs. 1,33,000 which is charged at present as a payment to the sinking fund on account of the loan of Rs. 20 lakhs raised in the year 1906.

(*d*) A reserve of Rs. 5 lakhs for meeting a part of the capital expenditure on Protective Irrigation Works which may not be productive at all or which even if productive will usually take a longer time than Railways and Industrial Works to yield a paying return.

(*e*) A reserve of Rs. 3½ lakhs per annum to meet special charges, which though not recurring annually, have to be incurred at periodical intervals. This is intended to meet non-recurring expenditure of an exceptional nature, for which the [illegible] the different departments are not intended to provide. Such items when less than Rs. 10,000 in

amount should be met from the savings from the ordinary allotment of the different departments. When however, they exceed Rs. 10,000 in amount and are quite of an exceptional *character, sanction of Government* should be obtained to special allotments for meeting them out of the reserve. In the current year's *budget, some comparatively small items* of expenditure which strictly speaking should have been met out of the allotments of the respective departments, were allowed to be charged to the special reserve. These items were as follows :—

Direct demands on Revenue.

	Rs
Forest—	
Inspector-General's visit	2,500
Stamps—	
Cost of Water-marked paper	12,500

Civil Administration.

General Administration—	
Purchase of tents	10,000
Purchase of horses	3,000
Collapsible gates to Government House	2,000
Muzrai—	
Printing quit-rent register	6,000
Stationery and Printing—	
Kannada Punches and Matrices	25,000
Machinery for the Press	24,000
Types for Budget Notes	5,000

None of these items of expenditure were of an exceptional nature and most of them were also comparatively small in amount. Still they were allowed to be met out of the special reserve as the settlement came into force only this year and the departments concerned had no balances to draw upon. In future all departments will be required to meet such items of expenditure from their own funds.

When, however, grants are allotted from the special reserve to meet exceptional items of expenditure the grants will be ear-marked for the purpose for which they are sanctioned and any unspent portion will lapse to the credit of the special reserve.

13. It should be noted that the special reserve of Rs. 3,50,000 for non-recurring expenditure is not intended to meet unusually heavy expenditure of an exceptional character which cannot be expected to be met from the current revenues of the State, such as large special contributions to the Government of India for war or other purposes or exceptionally heavy expenditure on the construction of new additions to the Palace, etc., or other exceptionally large contributions to institutions outside Mysore. Such expenditure will be treated as extraordinary expenditure outside the Revenue Account and will be treated as a set-off against the past savings of the State. Rupees 2,00,000 is fixed for the present as the maximum limit of each item of special expenditure which should be met out of the special reserve.

14. Similarly all extraordinary revenue of a special character will not be treated as part of the ordinary revenues of the State and will not be available for division among the different departments. Such revenue will generally be shown in the accounts as extraordinary revenue outside the ordinary revenue account. In exceptional cases if they are recurring and of a nature usually classified under revenue, they may be shown as part of the general revenues but they will still not be available for distribution among the different departments for meeting their ordinary expenditure.

15. Besides the above there is another reserve in the form of a capitalisation fund for the Mining Revenue. The revenue from the Gold Mines being more or less adventitious, it is considered desirable to set aside 60 per cent of the net revenues derived from them and to form a capitalisation fund which accumulating at compound interest will in a comparatively short period, amount to a sum sufficient to yield a revenue equal to that now obtained from the Mines; so that when the Mines are ultimately exhausted, the State will have in their place another source of revenue yielding the same amount as the Mines.

The contribution to the capitalisation fund calculated at 60 per cent of the net revenue from the Mines will be charged to the head 'Charges against Mining Revenue' by *per contra* credit to a special reserve fund and will be deducted from the net Mining Revenue before calculating the amount of it available for distribution among the several groups of spending departments. The fund will also be credited every year with interest at 5 per cent on its balance by *per contra* debit as a charge under the head 'Interest.'

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16. The initial assignments for the groups of Departments and their shares in the annual growth of revenue now sanctioned will have effect for three years beginning from the current year and will be subject to reconsideration and revision at the end of that period.

17. In consequence of the adoption of the Financial settlement scheme, it is considered necessary to issue the following instructions for the guidance of all the Heads of Departments and the administrative Departments of Government in regard to the submission of proposals for fesh items of expenditure.

18. Under the scheme, expenditure in respect of the severel groups of departments will be strictly limited to the respective amounts alloted to them in the annual budget which again must always be limited to the amounts available to them, *viz.*, the balance at their credit at the commencement of the year plus their annual assignments as also their respective shares of the excess of the estimated net revenue for the year over the normal standard. The balance at their credit cannot be overdrawn under any circumstances nor can additional expenditure be proposed during the currency of any year to be met from the estimated closing balance at their credit except in extraordinary circumstances.

19. Particular groups should sometimes find it necessary to accumulate funds with a view to provide in future years for specially large items of expenditure for departments under them.

20. The Comptroller will maintain a *pro forma* account for each group of departments which will be credited with its initial assignments for expenditure and its share of the growth of the revenue of the year, to which it is entitled under the scheme, and will be debited with the actual expenditure incurred, and the balance will be carried forward from year, to year, so that schems for additional expenditure may be considerd with reference to the resources available for the group concerned. These resources will consist of the closing balance at its credit at the close of the previous year, its fixed assignment for the year and its fixed share of the estimated growth of revenue during the same. It will thus be known to what extent additional expenditure can be incurred under each group to improve the efficiency of the departments included in it and schemes sanctioned for one group will not interfere with schemes or othe groups.

21. The allotments made to the different departments, which are not actually spent during the year, will not lapse at the end of the year and will not go to swell the surplus of the year as hitherto, but will be charged off the revenue account of each year under a special head 'Unspent allotments added to departmental balances' by *per contra* credit to a deposit account They will thus be available for expenditure in future years and when any portion of them is actually spent, the expenditure incurred from the balance at the credit of the department, *i.e.*, the excess of the total expenditure over the allotments for the year, will be deducted from the total expenditure of the year under the head "Expenditure met from departmental balances" by *per contra* debit to the deposit account mentioned above. The unspent allotments or expenditure met from past allotments will not thus affect the revenue surplus or defict of the year concerned. The *pro forma* account will be published in the Financ and Revenue Accounts as also in the budget estimates of every year. Heads of Departments and Administrative Departments of Government will keep themselves informed of the state of the balances of the groups concered.

22. Additional expenditure during the year current for which no provision has been made in the estimates should not be proposed and cannot be sanctioned, unless the amount required can be met by reappropriation.

23. All proposals for additional expenditure in future years should be sent through the Comptroller. That officer will examine the financial effects of the scheme with reference to the *pro forma* accounts of the group in which the department is included and will append a statement is Form A attached showing whether there is margin for additional expenditure to the extent proposed according to the settlement scheme.

24. The powers delegated, under exting orders, to Heads of Departments to make reappropriation of grants alloted to them in the budget, without sanction of Government, will continue as heretofore.

25. The Comptroller is requested to issue necessary amendments to the Mysore Treasury Manual.

J. S. CHAKRAVARTI,

Financial Secretary to Government.